



email received 6/3/2010

June 3, 2010

Attn: Gayle Neumann
Property & Casualty Compliance
Division of Insurance
320 W. Washington Street
Fourth Floor
Springfield, IL 62767

FILED

JUN 04 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

RECEIVED

JUN 03 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Re: IL-SPP Filing-052010

Dear Ms. Neumann:

Effective immediately, please accept this rule change to our rate manual and the new endorsement form by Medicus Insurance Company, FEIN 20-5623491. Our Illinois Certification for Medical Malpractice Rates form is also attached and signed by both an officer of our company as well as our actuary. We use ISO to gather statistics and the reporting to agencies. This rule change to the manual is a new program for our Company. We do not currently write any insureds with this risk profile, so there is no change to our current insured's premiums.

I have included two rate manuals: one is a clean copy with all changes incorporated and the other has changes highlighted in red. I have also included the new endorsement to be added to our policy and a filing letter from our Vice President of Medical Relations, Dr. Bill Bailey. No other changes have been made in the rate manual.

In offering, administering, or applying the filed rate/rule manual and/or any amended provisions, Medicus Insurance Company does not unfairly discriminate.

If you have any questions concerning the above, please feel free to contact me directly.

Regards.

Erica Bond
Regulatory Compliance Coordinator
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

1-0
MEM
RUL
glw
Jeh



RECEIVED

June 3, 2010

JUN - 4 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

Attn: Gayle Neumann
Property & Casualty Compliance
Division of Insurance
320 W. Washington Street
Fourth Floor
Springfield, IL 62767

Re: IL-SPP Filing-052010

Dear Ms. Neumann:

Effective immediately, please accept this rule change to our rate manual and the new endorsement form by Medicus Insurance Company, FEIN 20-5623491. Our Illinois Certification for Medical Malpractice Rates form is also attached and signed by both an officer of our company as well as our actuary. We use ISO to gather statistics and the reporting to agencies. This rule change to the manual is a new program for our Company. We do not currently write any insureds with this risk profile, so there is no change to our current insured's premiums.

I have included two rate manuals: one is a clean copy with all changes incorporated and the other has changes highlighted in red. I have also included the new endorsement to be added to our policy and a filing letter from our Vice President of Medical Relations, Dr. Bill Bailey. No other changes have been made in the rate manual.

In offering, administering, or applying the filed rate/rule manual and/or any amended provisions, Medicus Insurance Company does not unfairly discriminate.

If you have any questions concerning the above, please feel free to contact me directly.

Regards.

Erica Bond
Regulatory Compliance Coordinator
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com



May 27, 2010

Attn: Gayle Neumann
Division of Insurance
320 W. Washington Street, Fourth Floor
Springfield, IL 62767

Dear Ms. Neumann,

Physicians pledge to practice the best medicine they can but as with life, mishaps occur even when the greatest of care and the best of intentions are given. The effects of these missteps often prohibit a physician from qualifying for medical professional liability insurance with an admitted, standard lines insurance company such as Medicus Insurance Company.

I'm proud to be affiliated with an admitted, standard lines company that recognizes that physicians with imperfect experience deserve the chance to improve their risk without the harsh penalty of non standard or Excess Surplus lines coverage since they no longer fit within standard rating rules. Medicus Insurance Company introduces its Medicus Secured Protection Program (SPP) to offer individual risk premiums to physicians who fall outside standard rating criteria. Our program will allow physicians with imperfect practice profiles to remain in the admitted, standard market. If the physician is a member of a group, the practice group is not penalized.

The Medicus SPP fills a vital role reintroducing to and keeping physicians in the admitted, standard market. Our program is designed to help rehabilitate practice risk profiles in order to maintain coverage terms without the alternative of Excess Surplus lines coverage. The pricing mechanism of SPP allows a group practice to remain insured as a group.

Medicus designed SPP to help physicians improve their risk profile over a three year period and thus qualifying for return to standard rating. This is a true rehabilitative program and one that helps physicians continue to focus their efforts to practice the best medicine they can. We look forward to your approval to allow us to add this program to our filing.

Sincerely,

Dr. Charles W. "Bill" Bailey
VP, Medical Relations

Section 754.EXHIBIT A Summary Sheet (Form RF-3)

FORM (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 0.

	(1) Coverage	(2) Annual Premium Volume (Illinois) *	(3) Percent Change (+or-) **
1.	Automobile Liability Private Passenger	0	0
	Commercial	0	0
2.	Automobile Physical Damag Private Passenger	0	0
	Commercial	0	0
3.	Liability Other Than Auto	0	0
4.	Burglary and Theft	0	0
5.	Glass	0	0
6.	Fidelity	0	0
7.	Surety	0	0
8.	Boiler and Machinery	0	0
9.	Fire	0	0
10.	Extended Coverage	0	0
11.	Inland Marine	0	0
12.	Homeowners	0	0
13.	Commercial Multi-Peril	0	0
14.	Crop Hail	0	0
15.	Other	0	0
	Life of Insurance		

* Does filing only apply to certain territory (territories) or certain Classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory Organization, specify organization):

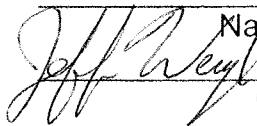
Special risk program, greater debit authority for for specific risk criteria

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of new rates.

Medicus Insurance Company

Name of Company

 - Chief Underwriting Officer

Official - Title

Neuman, Gayle

From: Jane Cundiff [jcundiff@medicusins.com]
Sent: Tuesday, June 26, 2012 10:05 AM
To: Neuman, Gayle
Subject: RE: Medicus Insurance Co - rate/rule filings

Ms. Newman,

Many of these were before my time as the Compliance Coordinator. But it looks as though all were put in effect on the respective effective date.

Thank you,

Jane M. Cundiff

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Road, Bldg 4-100
Austin, TX 78759
512-879-5128

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, June 26, 2012 8:15 AM
To: Jane Cundiff
Subject: Medicus Insurance Co - rate/rule filings

Ms. Cundiff,

The Department of Insurance has now completed its review of the following filings:

#IL-052108-Rates/Rules effective June 1, 2008

#IL-012309-Vicarious Rule effective January 23, 2009

#IL-012809-2M/4M ILF effective January 28, 2009

#IL-072109-Revised ILFs effective August 5, 2009

#IL-012010-RevLimit effective February 1, 2010

#IL052010 effective June 4, 2010

Was each filing put in effect on the respective effective date listed above or do you wish to have a different effective date?

Your prompt response is appreciated.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: GAYLE.NEUMAN@ILLINOIS.GOV.

Mamoottile, Neetha

From: Erica Bond [ebond@medicusins.com]
Sent: Wednesday, October 06, 2010 8:47 AM
To: Mamoottile, Neetha
Cc: Trader, Amy
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Categories: Medicus Insurance Company

This was mailed to Amy Trader today.

Thank you for your help.

Erica Bond
Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Mamoottile, Neetha [mailto:Neetha.Mamoottile@Illinois.gov]
Sent: Thursday, September 23, 2010 8:29 AM
To: Erica Bond
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Ms. Bond,

Yes, the only thing I require from you is the biographical affidavit for Mr. Jeff Weigl. Please do not send the affidavit via email. Please send it to the address listed below.

In order to certify officers, please visit the website listed below. Go to the section labeled UCAA Forms, and you will find a word document for NAIC Biographical Affidavit. Please fill out that form and send the forms to the address listed below and please copy me as well.

Mrs. Amy Trader
Illinois Department of Insurance
320 W. Washington St,
Springfield, IL 62767

http://www.naic.org/industry_ucaa.htm

Thank You,
Neetha Mamoottile

From: Erica Bond [mailto:ebond@medicusins.com]
Sent: Thursday, September 23, 2010 8:19 AM
To: Mamoottile, Neetha
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Good morning. I apologize for not responding, but it appears that I never received your original message below and this is the first time I am seeing this email from you. I have received all of Gayle Neuman's emails which is why I am concerned that I did not receive this one.

Just so I am clear, is the only thing you need from me to submit to you is a biographical affidavit for Jeff Weigl? If so, can I send that to you via email?

Mamoottile, Neetha

From: Erica Bond [ebond@medicusins.com]
Sent: Thursday, September 30, 2010 10:26 AM
To: Mamoottile, Neetha
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Categories: Medicus Insurance Company

Thank you.

Erica Bond
Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Mamoottile, Neetha [mailto:Neetha.Mamoottile@Illinois.gov]
Sent: Thursday, September 30, 2010 10:26 AM
To: Erica Bond
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

No, please do not email the biographical affidavit to me. As long as I am copied on the mail, Ms. Trader will notify me when it arrives.

From: Erica Bond [mailto:ebond@medicusins.com]
Sent: Thursday, September 30, 2010 9:38 AM
To: Mamoottile, Neetha
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

When I mail his Bio Affidavit to Ms. Trader, do you want me to email his to you?

Erica Bond
Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Mamoottile, Neetha [mailto:Neetha.Mamoottile@Illinois.gov]
Sent: Thursday, September 23, 2010 8:29 AM
To: Erica Bond
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Ms. Bond,

Yes, the only thing I require from you is the biographical affidavit for Mr. Jeff Weigl. Please do not send the affidavit via email. Please send it to the address listed below.

In order to certify officers, please visit the website listed below. Go to the section labeled UCAA Forms, and you will find a word document for NAIC Biographical Affidavit. Please fill out that form and send the forms to the address listed below and please copy me as well.

Mrs. Amy Trader

Mamoottile, Neetha

From: Erica Bond [ebond@medicusins.com]
Sent: Thursday, September 23, 2010 8:31 AM
To: Mamoottile, Neetha
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Categories: Medicus Insurance Company

Thank you for your quick response. Mr. Weigl already has an NAIC biographical affidavit completed and should already be on file with the NAIC. I will however mail them one as well as a copy to you.

Thank you very much. Please let me know when you receive it.

Erica Bond
Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Mamoottile, Neetha [mailto:Neetha.Mamoottile@Illinois.gov]
Sent: Thursday, September 23, 2010 8:29 AM
To: Erica Bond
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Ms. Bond,

Yes, the only thing I require from you is the biographical affidavit for Mr. Jeff Weigl. Please do not send the affidavit via email. Please send it to the address listed below.

In order to certify officers, please visit the website listed below. Go to the section labeled UCAA Forms, and you will find a word document for NAIC Biographical Affidavit. Please fill out that form and send the forms to the address listed below and please copy me as well.

Mrs. Amy Trader
Illinois Department of Insurance
320 W. Washington St,
Springfield, IL 62767

http://www.naic.org/industry_ucaa.htm

Thank You,
Neetha Mamoottile

From: Erica Bond [mailto:ebond@medicusins.com]
Sent: Thursday, September 23, 2010 8:19 AM
To: Mamoottile, Neetha
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Good morning. I apologize for not responding, but it appears that I never received your original message below and this is the first time I am seeing this email from you. I have received all of Gayle Neuman's emails which is why I am concerned that I did not receive this one.

Just so I am clear, is the only thing you need from me to submit to you is a biographical affidavit for Jeff Weigl? If so, can I send that to you via email?

Thank you,

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Mamoottile, Neetha [<mailto:Neetha.Mamoottile@Illinois.gov>]
Sent: Thursday, September 23, 2010 8:14 AM
To: Erica Bond
Subject: FW: ILDOI - Medicus Insurance Company - Rate Filing #052010

Ms. Bond,

Please update me on your status thus far.

Neetha Mamoottile

From: Mamoottile, Neetha
Sent: Tuesday, September 14, 2010 4:15 PM
To: 'ebond@medicusins.com'
Subject: ILDOI - Medicus Insurance Company - Rate Filing #052010

Ms. Bond,

Pursuant to Section 155.04(2) of the Illinois Insurance Code (215 ILCS 155.04(2)), all companies licensed to transact insurance business in Illinois must notify the Director within 30 days of the appointment or election of any new officers or directors. Section 915.40 of the Illinois Administrative Code (50 Ill. Adm. Code 915.40) further stipulates biographical affidavits of newly elected or appointed officers must be filed within 30 days after the person's election or appointment.

Mr. Jeff Weigl, signed the certification accompanying the subject filing as Chief Underwriting Officer of Medicus Insurance Company. However, we have yet to find evidence that Mr. Weigl is an authorized officer for Medicus Insurance Company. Upon search of our records, we find no biographical affidavit has been filed with the Illinois Department of Insurance for Mr. Weigl.

The subject filing is considered incomplete until a certification form with the appropriate company officer signature is submitted or until proper biographical affidavit documentation is filed.

Please respond by September 22nd, 2010.

Thank You,
Neetha Mamoottile

Neetha M. Mamoottile
Actuarial Assistant
Illinois Department of Insurance
Neetha.Mamoottile@illinois.gov
217-557-1397

Mamoottile, Neetha

From: Erica Bond [ebond@medicusins.com]
Sent: Thursday, October 14, 2010 8:38 AM
To: Mamoottile, Neetha
Cc: Jeff Weigl
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Categories: Medicus Insurance Company

Thank you so much! Have a nice day.

Erica Bond
Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Mamoottile, Neetha [mailto:Neetha.Mamoottile@Illinois.gov]
Sent: Thursday, October 14, 2010 8:10 AM
To: Erica Bond
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Ms. Bond,

We received the biographical affidavit yesterday.

Thank You,
Neetha Mamoottile

From: Erica Bond [mailto:ebond@medicusins.com]
Sent: Thursday, September 23, 2010 8:31 AM
To: Mamoottile, Neetha
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

Thank you for your quick response. Mr. Weigl already has an NAIC biographical affidavit completed and should already be on file with the NAIC. I will however mail them one as well as a copy to you.

Thank you very much. Please let me know when you receive it.

Erica Bond
Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Mamoottile, Neetha [mailto:Neetha.Mamoottile@Illinois.gov]
Sent: Thursday, September 23, 2010 8:29 AM
To: Erica Bond
Subject: RE: ILDOI - Medicus Insurance Company - Rate Filing #052010

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Jeff Weigl, a duly authorized officer of Medicus Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Ed Lionberger, a duly authorized actuary of Towers Watson, am authorized to certify on behalf of Medicus Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Jeff Weigl CHIEF UW OFFICER 6/2/2010
Signature and Title of Authorized Insurance Company Officer Date

Edmund P. Lionberger F.C.A.S., M.A.A.A. 6/2/2010
Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN 20-5623491

Filing Number IL SPP Rate Manual 05/2010

Insurer's Address 4807 Spicewood Springs, Bldg 4, 1st Fl

City Austin

State TX

Zip Code 78759

Contact Person's:

-Name and E-mail Erica Bond, ebond@medicusins.com

-Direct Telephone and Fax Number 512-879-5128, Fax: 877-686-0558

Neuman, Gayle

From: Erica Bond [ebond@medicusins.com]
Sent: Thursday, June 03, 2010 5:17 PM
To: Neuman, Gayle
Subject: IL SPP Filing 052010
Attachments: Exhibit A-Summary Sheet.pdf; IL certification.pdf; IL SPP Filing Letter.pdf; IL SPP Rate Manual 05-2010.pdf; IL SPP Rate Manual Changes 05_2010.pdf; IL SPP Endorsement.pdf; IL SPP Filing Cover Ltr 05-2010.doc

Hello Ms. Neuman,

I just wanted to let you know that I have overnight mailed out our IL SPP Filing 052010 to your attention today and I have attached the documents electronically that I have sent. We would like this filing effective tomorrow, 06/04/2010.

I appreciate you taking the time to review this filing for us. Please also confirm when you receive our filing. Let me know if you have any questions and have a nice day.

Respectfully,

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

Neuman, Gayle

From: Erica Bond [ebond@medicusins.com]
Sent: Friday, June 04, 2010 9:03 AM
To: Neuman, Gayle
Subject: RE: IL SPP Filing 052010
Attachments: IL SPP Filing Cover Ltr 05-2010.doc

Here you go. Please let me know if you need anything else. I appreciate it.

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Friday, June 04, 2010 8:48 AM
To: Erica Bond
Subject: RE: IL SPP Filing 052010

Yes – and I will just put the endorsement with it.

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Erica Bond [mailto:ebond@medicusins.com]
Sent: Friday, June 04, 2010 8:29 AM
To: Neuman, Gayle
Subject: RE: IL SPP Filing 052010

Hello Ms. Neuman,

I already sent the endorsement with the Rate manual. Can I just send you a different cover letter with a new filing number?

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Friday, June 04, 2010 7:46 AM
To: Erica Bond
Subject: FW: IL SPP Filing 052010

I just realized there was a cover letter attached with the information needed. However, the issue about the forms filing still requires attention.

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Neuman, Gayle
Sent: Friday, June 04, 2010 7:44 AM
To: 'Erica Bond'
Subject: RE: IL SPP Filing 052010

Ms. Bond,

I received your e-mail. We require a cover letter which provides the company FEIN, and a filing number (20 or less characters). Additionally, I noticed one attachment was an endorsement. You must file any endorsements under a separate filing with a separate cover letter and separate filing number.

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Erica Bond [mailto:ebond@medicusins.com]
Sent: Thursday, June 03, 2010 5:17 PM
To: Neuman, Gayle
Subject: IL SPP Filing 052010

Hello Ms. Neuman,

I just wanted to let you know that I have overnight mailed out our IL SPP Filing 052010 to your attention today and I have attached the documents electronically that I have sent. We would like this filing effective tomorrow, 06/04/2010.

I appreciate you taking the time to review this filing for us. Please also confirm when you receive our filing. Let me know if you have any questions and have a nice day.

Respectfully,

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

Neuman, Gayle

From: Erica Bond [ebond@medicusins.com]
Sent: Wednesday, September 08, 2010 3:43 PM
To: Neuman, Gayle
Cc: Jeff Weigl
Subject: RE: Medicus Ins Co - Rate/Rule Filing #052010
Attachments: Updated-IL SPP Rate Manual 05-2010.pdf

Hello Ms. Neuman,

Please see my answers below to your questions. I have also attached an updated IL Rate Manual to address the issue in question #2. Please let me know if you need anything else or have any other questions.

Respectfully,

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, September 02, 2010 1:51 PM
To: Erica Bond
Subject: Medicus Ins Co - Rate/Rule Filing #052010

Ms. Bond,

This filing was received by the Department on June 3, 2010. Please respond to the following questions/concerns:

1. Page IV-3 of the manual indicates the policy may contain a consent to settle exclusion and/or a deductible for indemnity and claim payments. I also reviewed an endorsement for the Secured Protection Program. Are these requirements of this coverage, or are they optional? They are optional
2. Previously under V. Premium Modifications, A. Scheduled Rating, the manual referred to "Page 30". As you now have a different numbering system, please update the reference. Rate Manual is updated and attached.

Please provide a response by September 9, 2010.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: GAYLE.NEUMAN@ILLINOIS.GOV.

V. PREMIUM MODIFICATIONS

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated under D1 on this page, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule-rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in on Page 30.

B. Manual Rates

1. Corporations, Partnerships & Associations Rating Factors

As referenced in III in Section II-2:

See Table in Section II-2. Separate Corporate Limits

0% - Shared Corporate Limits

2. Miscellaneous Entities

Not eligible under this Filing.

C. Policy Writing Minimum Premium

The applicable minimum premium is based upon the policy issued to the physicians and surgeons. Only one minimum premium applies of \$500.

D. Premium Modifications

1. Schedule Rating—Partnerships & Corporations

Physician & Surgeons	+/- 50%
Health Care Providers	+/-50%

2. Self-Insured Retention Credits - See Section III.V.B

- END OF SECTION II-

Neuman, Gayle

From: Erica Bond [ebond@medicusins.com]
Sent: Friday, September 10, 2010 8:31 AM
To: Neuman, Gayle
Subject: RE: Medicus Ins Co - Rate/Rule Filing #052010

Hi Ms. Neuman,

Thank you. I will look into this.

Respectfully,

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, September 09, 2010 1:51 PM
To: Erica Bond
Subject: RE: Medicus Ins Co - Rate/Rule Filing #052010

I believe the reference on page II-3 should be "IIII-22" not "III-20".

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Erica Bond [mailto:ebond@medicusins.com]
Sent: Wednesday, September 08, 2010 3:43 PM
To: Neuman, Gayle
Cc: Jeff Weigl
Subject: RE: Medicus Ins Co - Rate/Rule Filing #052010

Hello Ms. Neuman,

Please see my answers below to your questions. I have also attached an updated IL Rate Manual to address the issue in question #2. Please let me know if you need anything else or have any other questions.

Respectfully,

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, September 02, 2010 1:51 PM
To: Erica Bond
Subject: Medicus Ins Co - Rate/Rule Filing #052010

Ms. Bond,

This filing was received by the Department on June 3, 2010. Please respond to the following questions/concerns:

1. Page IV-3 of the manual indicates the policy may contain a consent to settle exclusion and/or a deductible for indemnity and claim payments. I also reviewed an endorsement for the Secured Protection Program. Are these requirements of this coverage, or are they optional? They are optional
2. Previously under V. Premium Modifications, A. Scheduled Rating, the manual referred to "Page 30". As you now have a different numbering system, please update the reference. Rate Manual is updated and attached.

Please provide a response by September 9, 2010.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: GAYLE.NEUMAN@ILLINOIS.GOV.

Neuman, Gayle

From: Erica Bond [ebond@medicusins.com]
Sent: Friday, September 10, 2010 2:49 PM
To: Neuman, Gayle
Subject: RE: Medicus Ins Co - Rate/Rule Filing #052010
Attachments: IL SPP Rate Manual 05-2010.pdf

Hello Ms. Neuman,

Thank you very much for bringing that typo to my attention. I have corrected that error and the manual is attached. Please let me know if you need anything else.

Thanks again,

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, September 09, 2010 1:51 PM
To: Erica Bond
Subject: RE: Medicus Ins Co - Rate/Rule Filing #052010

I believe the reference on page II-3 should be "IIII-22" not "III-20".

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Erica Bond [mailto:ebond@medicusins.com]
Sent: Wednesday, September 08, 2010 3:43 PM
To: Neuman, Gayle
Cc: Jeff Weigl
Subject: RE: Medicus Ins Co - Rate/Rule Filing #052010

Hello Ms. Neuman,

Please see my answers below to your questions. I have also attached an updated IL Rate Manual to address the issue in question #2. Please let me know if you need anything else or have any other questions.

Respectfully,

Erica Bond

Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Rd., Bldg. 4-100
Austin, TX 78759
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: ebond@medicusins.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, September 02, 2010 1:51 PM
To: Erica Bond
Subject: Medicus Ins Co - Rate/Rule Filing #052010

Ms. Bond,

This filing was received by the Department on June 3, 2010. Please respond to the following questions/concerns:

1. Page IV-3 of the manual indicates the policy may contain a consent to settle exclusion and/or a deductible for indemnity and claim payments. I also reviewed an endorsement for the Secured Protection Program. Are these requirements of this coverage, or are they optional? They are optional
2. Previously under V. Premium Modifications, A. Scheduled Rating, the manual referred to "Page 30". As you now have a different numbering system, please update the reference. Rate Manual is updated and attached.

Please provide a response by September 9, 2010.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: GAYLE.NEUMAN@ILLINOIS.GOV.

V. PREMIUM MODIFICATIONS

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated under D1 on this page, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule-rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in Section III-20.

B. Manual Rates

1. Corporations, Partnerships & Associations Rating Factors

As referenced in III in Section II-2:

See Table in Section II.2. Separate Corporate Limits

0% - Shared Corporate Limits

2. Miscellaneous Entities

Not eligible under this Filing.

C. Policy Writing Minimum Premium

The applicable minimum premium is based upon the policy issued to the physicians and surgeons. Only one minimum premium applies of \$500.

D. Premium Modifications

1. Schedule Rating—Partnerships & Corporations

Physician & Surgeons	+/- 50%
Health Care Providers	+/-50%

2. Self-Insured Retention Credits - See Section III.V.B

- END OF SECTION II-



MANUAL

SECTION I

GENERAL RULES

MANUAL PAGES FOR PROFESSIONAL LIABILITY COVERAGE FOR PHYSICIANS, SURGEONS AND NON-PHYSICIAN HEALTH CARE PROVIDERS

I. APPLICATION OF MANUAL

This manual specifies rules, rates, premiums, classifications and territories for the purpose of providing professional liability coverage to the physicians, surgeons, their professional associations and employed health care providers.

II. APPLICATION OF GENERAL RULES

These rules apply to all sections of this manual. Any exceptions to these rules are contained in the respective section, with reference thereto.

All other rules, rates and rating plans filed on behalf of the Company and not in conflict with these pages shall continue to apply.

III. POLICY TERM

Policies will be written for a term of one year, and renewed annually thereafter, but the policy term may be extended beyond one year subject to underwriting guidelines and state limitations. Coverage may also be written for a period of time less than one year under a short term policy period.

IV. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice or activities within a single rating territory. However, should an insured practice in more than one rating territory and/or state, the following rule shall apply. If 10% or less of an insured's practice is in a higher rated territory, we use the lower rated territory. If more than 10% of an insured's practice is in a higher rated territory, we use the higher rated territory.

V. PREMIUM COMPUTATION

- A. Compute the premium at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.

V. PREMIUM COMPUTATION (Continued)

- B. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

VI. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

VII. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual produces a result that is not a whole dollar, each rate and premium shall be adjusted as follows:

- A. Any amount involving \$.50 or over shall be rounded up to the next highest whole dollar amount; and
- B. Any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

VIII. ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

IX. RETURN PREMIUM FOR MID-TERM CHANGES

- A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- B. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.
- C. Retain the Policy Minimum Premium.

X. POLICY CANCELLATIONS

- A. Compute return premium pro rata using the rules, rates and rating plans in effect at the inception of this policy period when:
 - 1. A policy is canceled at the Company's request,
 - 2. the insured no longer has a financial and an insurable interest in the property or operation that is the subject of the insurance; or

X. POLICY CANCELLATIONS (Continued)

- B. If cancellation is for any other reason than stated in A. above, compute the return premium on a standard short rate basis for the one-year period.
- C. Retain the Policy Minimum Premium when the insured requests cancellation except when coverage is canceled as of the inception date.

XI. POLICY MINIMUM PREMIUM

- 1. The applicable minimum premium is determined by the type of health care provider shown on the appropriate Rate Pages.
- 2. Minimum Premiums will be combined for a policy that provides coverage for more than one type of health care provider.

XII. PREMIUM PAYMENT PLAN

The Company will offer the insured premium payment options, outlined in Section III-24.

XIII. COVERAGE

Coverage is provided on a Claims-Made basis. Coverage under the policy shall be as described in the respective Insuring Agreements. The coverages will be rated under Standard Claims-Made Rates.

XIV. BASIC LIMITS OF LIABILITY

Basic Limits of Liability shall be those shown as applicable to the respective insureds.

XV. LIMITS OF LIABILITY

Individual Limits of Liability will be modified by Increased Limits factors as applicable for the respective insureds and used to develop the applicable premium.

XVI. PRIOR ACTS COVERAGE

The policy shall be extended to provide prior acts coverage in accordance with the applicable retroactive date(s). The retroactive date can be advanced only at the request or with the written acknowledgment of the insured, subject to underwriting.

XVII. EXTENDED REPORTING PERIOD COVERAGE

The availability of Extended Reporting Period Coverage shall be governed by the terms and conditions of the policy and the following rules:

- A. The retroactive date of coverage will determine the years of prior exposure for Extended Reporting Period Coverage.
- B. The Limits of Liability may not exceed those afforded under the terminating policy, unless otherwise required by statute or regulation.

XVII. EXTENDED REPORTING PERIOD COVERAGE (Continued)

- C. The premium for the Extended Reporting Period Coverage shall be determined by applying the Extended Reporting Period Coverage rating factors shown in Section III-10.
- D. Premium is fully earned and must be paid in full within 30 days of the expiration of the policy.
- E. The Reporting Period is unlimited.
- F. The Insured has 30 days after the policy is terminated to purchase the extended reporting period. The Extended Reporting Endorsement must be offered regardless of the reason for the termination

XVIII. PREMIUM MODIFICATIONS

Schedule Rating

Physicians and Surgeons	+/-50
Healthcare Providers	+/-50

- END OF SECTION I-

SECTION II

MANUAL PAGES FOR CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

I. APPLICATION OF MANUAL

- A. This section provides rules, rates, premiums, classifications and territories for the purpose of providing Professional Liability for the following Health Care Entities:
 - 1. Professional Corporations, Partnerships and Associations
- B. For the purpose of these rules, an entity consists of physicians, dentists and/or allied health care providers rendering patient care who:
 - 1. Are comprised of 2 or more physicians;
 - 2. Are organized as a legal entity;
 - 3. Maintain common facilities (including multiple locations) and support personnel; and
 - 4. Maintain medical/dental records of patients of the group as a historical record of patient care.

II. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability Coverage under this program shall be as follows, unless otherwise modified by statute:

- A. Claims-Made Coverage
 - \$1,000,000 Per Claim
 - \$3,000,000 Aggregate

III. PREMIUM COMPUTATION

- A. The premium for professional corporations, partnerships and associations, limited liability companies, or other entity may be written with a separate limit of liability and shall be computed in the following manner:

The premium charge will be a percentage (selected from the table below) of the sum of each member physician's net individual premium. In order for the entity to be eligible for coverage, the Company must insure all member physicians or at least 60% of the physician members must be insured by the Company, and the remaining physicians must be insured by another professional liability program acceptable to the company.

III. PREMIUM COMPUTATION (Continued)

Number of Insureds	Percent
1	25%
2-5	12%
6-9	10%
10-19	9%
20-49	7%
50 or more	5%

B. Vicarious Liability Charge

For each member physician not individually insured by the Company, a premium charge will be made up to 30% of the appropriate specialty rate if the Company agrees to provide such vicarious liability coverage.

IV. CLASSIFICATIONS

A. Corporations, Partnerships and Associations

1. As defined by state statutes and formed for the purpose of rendering specified medical/dental professional services.
2. Not otherwise identified as a Miscellaneous Entity.

B. Miscellaneous Entities

1. As defined by state statutes and formed for the purpose of rendering specified medical/dental professional services.
2. Including the following types of entities:
 - a. Urgent Care Center
 - b. Surgi Center
 - c. MRI Center
 - d. Renal Dialysis Center
 - e. Peritoneal Dialysis Center

V. PREMIUM MODIFICATIONS

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated under D1 on this page, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule-rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in on Page 30.

B. Manual Rates

1. Corporations, Partnerships & Associations Rating Factors

As referenced in III in Section II-2:

See Table in Section II-2. Separate Corporate Limits

0% - Shared Corporate Limits

2. Miscellaneous Entities

Not eligible under this Filing.

C. Policy Writing Minimum Premium

The applicable minimum premium is based upon the policy issued to the physicians and surgeons. Only one minimum premium applies of \$500.

D. Premium Modifications

1. Schedule Rating—Partnerships & Corporations

Physician & Surgeons	+/- 50%
Health Care Providers	+/-50%

2. Self-Insured Retention Credits - See Section III.V.B

- END OF SECTION II-

SECTION III

MANUAL PAGES FOR PROFESSIONAL LIABILITY COVERAGE FOR PHYSICIANS, SURGEONS, AND NON-PHYSICIAN HEALTHCARE PROVIDERS

I. APPLICATION OF MANUAL

This section provides rules, rates, premiums, classifications and territories for the purpose of providing Professional Liability for Physicians/Surgeons and employed or associated non-physician health care providers.

II. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability Coverage under this program shall be as follows, unless otherwise modified by statute:

Claims-Made Coverage

\$1,000,000 Per Claim

\$3,000,000 Aggregate

III. PREMIUM COMPUTATION

The premium shall be computed by applying the rate per physician, surgeon or non-physician health care provider shown in Section III-17 to Section III-20, in accordance with each individual's medical classification and class plan designation.

IV. CLASSIFICATIONS

A. Physicians/Surgeons and Non Physician Health Care Providers

1. Each medical practitioner is assigned a Rate Class according to his/her specialty. When more than one classification is applicable, the highest rate classification shall apply.
2. The Rate Classes are found in Section III-10 to Section III-15 of this Manual.

B. Part Time Physicians

1. A physician who is determined to be working 20 hours or less a week may be considered a part time practitioner and may be eligible for a reduction in the otherwise applicable rate for that specialty. The criteria and commensurate credit for a part time practitioner are identified in Section III of this Manual.
2. A Part Time Practitioner may include any practitioner in classes 1 through 8 only, except for Anesthesia and Emergency Medicine as identified in the class

Erica Basile 5/27/10 3:11 PM

Deleted: 1

B. Part Time Physicians (Continued)

plan. The hours reported to the Company for rating purposes are subject to audit, at the Company's discretion.

3. The part time credit is not applied to the Extended Reporting Period Coverage.
4. No other credits are to apply concurrent with this rule.

C. Physicians in Training

1. Following graduation from medical school, a physician may elect to enter additional training periods. For rating purposes, they are defined as follows:
 - a. First Year Resident (or Intern) - 1 year period immediately following graduation. During this period a physician may or may not be licensed, depending upon state requirements.
 - b. Resident - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program, physician becomes board eligible.
 - c. Fellow - Follows completion of residency and is a higher level of training.
2. Coverage is available for activities directly related to a physician's training program. The coverage will not apply to any professional services rendered after the training is complete.
 - a. Interns, Residents and Fellows are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for activities directly related to an accredited training program. The applicable credit is stated presented in Section III-20.
3. The credit is not applied to the Extended Reporting Period Coverage.
4. No other credits are to apply concurrent with this rule.

D. Locum Tenens Physician

1. Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of the insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability. No additional charge will apply for this coverage.

Erica Basile 5/27/10 3:11 PM

Deleted: 1

D. Locum Tenens Physician (Continued)

2. The locum tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage.
3. Limits will be shared between the insured physician and the physician substituting for him/her and will be endorsed onto the policy.

E. New Physician

1. A "new" physician shall be a physician who has recently completed one of the following programs and will begin a full time practice for the first time:
 - a. Residency;
 - b. Fellowship program in their medical specialty
 - c. Fulfillment of a military obligation in remuneration for medical school tuition;
 - d. Medical school or specialty training program.
2. To qualify for the credit, the applicant will be required to apply for a reduced rate within six months after the completion of any of the above programs.
3. A reduced rate will be applied in accordance with the credits shown presented in Section III-20. No other credits are to apply concurrent with this rule.

F. Physician Teaching Specialists

1. Coverage is available for faculty members of an accredited training program. The coverage will not apply to any professional services rendered in the insured's private practice.
 - a. Faculty members are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for teaching activities related to an accredited training program. Refer to K.5 in Section III-20 to determine the applicable credit.
2. Coverage is available for the private practice of a physician teaching specialist. The coverage will not apply to any aspect of the insured's teaching activities.
 - a. The premium will be based upon the otherwise applicable physician rate and the average number of hours per week devoted to teaching activities.

Erica Basile 5/27/10 3:11 PM

Deleted: 1

F. Physician Teaching Specialists (Continued)

- b. The hours reported to the Company for rating purposes are subject to audit, at the Company's discretion.
- c. No other credits are to apply concurrent with this rule.
- d. The applicable percentages are presented on presented in Section III-20.

G. Physician's Leave of Absence

- 1. A physician who becomes disabled from the practice of medicine, or is on leave of absence for a continuous period of 45 days or more, may be eligible for restricted coverage at a reduction to the applicable rate for the period of disability or leave of absence.
- 2. This will apply retroactively to the first day of disability or leave of absence.
- 3. Leave of absence may include time to enhance the medical practitioner's education, but does not include vacation time, and the insured is only eligible for one application of this credit for an annual policy period.
- 4. The credit to be applied to the applicable rate is presented in Section III-20.

V. **PREMIUM MODIFICATIONS**

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated in Section III-22, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in Section III-22.

B. Risk Management

1% credit will apply for each Company approved CME hour of risk management completed, up to a maximum of 5% credit per year, or attendance at a Company approved seminar.

Erica Basile 5/27/10 3:11 PM

Deleted: 1

C. Deductible Credits

Deductibles may apply either to indemnity only or indemnity and allocated loss adjustment expenses (ALAE). Any discount will apply only to the primary limit premium layer up to (\$1M/\$3M). Deductibles are subject to approval by the Company based on financial statements to be submitted by the insured and financial guarantees are required. The Company reserves the right to require acceptable securitization in the amount of the per claim and/or aggregate deductible amount from any insured covered by a policy to which a deductible is attached.

1. Individual Deductibles

Premium discounts for optional deductibles will be applied, per the table below, to the rate for the applicable primary limit:

INDEMNITY ONLY		INDEMNITY AND ALAE	
<u>DEDUCTIBLE PER CLAIM</u>		<u>DEDUCTIBLE PER CLAIM</u>	
\$5,000	2.5%	\$5,000	6.5%
\$10,000	4.5%	\$10,000	11.5%
\$15,000	6.0%	\$15,000	15.0%
\$20,000	8.0%	\$20,000	17.5%
\$25,000	9.0%	\$25,000	20.0%
\$50,000	15.0%	\$50,000	30.5%
\$100,000	25.0%	\$100,000	40.0%
\$200,000	37.5%	\$200,000	55.0%
\$250,000	42.0%	\$250,000	58.0%

The following Individual Deductibles are available on a Per Claim/Aggregate Basis. Premium discounts for optional deductibles will be applied, per the table below, to the rate for the applicable primary limit:

Erica Basile 5/27/10 3:11 PM

Deleted: 1

C. Deductible Credits (Continued)

Indemnity Only Per Claim/Aggregate		Indemnity & ALAE Per Claim/Aggregate	
\$5000/15,000	2.0%	\$5000/15,000	5.5%
\$10,000/30,000	4.0%	\$10,000/30,000	10.5%
\$25,000/75,000	8.5%	\$25,000/75,000	19.0%
\$50,000/150,000	14.0%	\$50,000/150,000	29.5%
\$100,000/300,000	24.0%	\$100,000/300,000	43.0%
\$200,000/600,000	36.0%	\$200,000/600,000	53.5%
\$250,000/750,000	40.0%	\$250,000/750,000	56.5%

2. Group Deductibles

An optional deductible, which limits the amount the entire group will have to pay, if multiple claims are made in a policy year, is available. Under this program, the per claim deductible continues to apply separately to each insured involved in a suit. However, the aggregate deductible applies to all insureds in the group combined thereby reducing the organization's maximum potential liability in a policy year. When the organization is insured with a separate limit of coverage, the organization is counted when totaling the number of insureds below. Group deductible amounts apply to primary premium up to \$1M/3M only. The applicable Deductible Discount will not change during the policy term despite changes in the number of insureds, but will be limited by any applicable maximum credit amount.

Indemnity Deductible Per Claim/Aggregate (\$000)	Number of Insureds				Maximum Credit
	2-19	20-40	41-60	61-100	
5/15	.020	.018	.015	.012	\$10,500
10/30	.038	.035	.030	.024	21,000
25/75	.084	.079	.070	.058	52,500
50/150	.145	.139	.127	.109	105,000
100/300	.234	.228	.216	.196	120,000
200/600	.348	.346	.338	.321	420,000
250/750	.385	.385	.381	.368	525,000

Erica Basile 5/27/10 3:11 PM

Deleted: 1

C. Deductible Credits (Continued)

The following Group Deductibles are available for Indemnity & ALAE.

Indemnity & ALAE Deductible Per Claim/Aggregate (\$000)	Number of Insureds				Maximum Credit
	2-19	20-40	41-60	61-100	
5/15	.029	.026	.021	.017	\$12,750
10/30	.068	.063	.054	.043	25,500
25/75	.119	.112	.099	.082	63,750
50/150	.186	.179	.163	.140	127,500
100/300	.258	.252	.239	.216	255,000
200/600	.396	.394	.385	.366	510,000
250/750	.467	.467	.462	.446	637,500

D. Experience Rating

This plan applies to physicians and surgeons medical professional liability risks contained in medical groups. As used in this plan, the term "risk" means the exposures of medical groups which have common management, a common and mutually agreed risk management program or a financial relationship among all members which encourages high levels of quality control and a reduction in liability claims.

On an optional basis, large risks with sufficiently credible loss experience may be loss-rated to develop an appropriate premium. To be eligible for loss rating, a group must have at least for the latest 10-year period and at least \$100,000 in estimated annual premium.

The experience period will be the latest completed 10 years. If 10 years are not available, consideration will be given to at least 5 complete years.

Losses are developed to ultimate and trended to cost levels for the proposed policy year. Losses will be capped at \$250,000 per loss.

The experience period does not include the 12-month period immediately prior to the effective date of the experience modification.

The experience rating modification is calculated using the following formula:

$$\text{Credibility} \times \frac{\text{Adjusted Actual Loss Ratio} - \text{Adjusted Expected Loss Ratio}}{\text{Adjusted Expected Loss Ratio}} = \text{Experience Mod.}$$

Erica Basile 5/27/10 3:11 PM

Deleted: 1

D. Experience Rating (Continued)

Since the experience rating plan is applied on an individual risk basis, the final impact of these changes varies by individual medical group based on risk size and loss experience by year. As a result, the anticipated overall rate impact due to the changes in the experience rating plan is indeterminable. However, the primary purpose of this plan and the revisions is to more accurately distribute the cost of insurance among eligible insureds.

E. Claim Free Credit Program

If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit, based upon the number of years the Insured has been claim free. A schedule is provided in Section III-20.

F. Individual Risk Rating

A risk may be individually rated by submitting a filing to the Illinois Department of Insurance, in accordance with Section 155.18(b)(4) of the Illinois Insurance Code. The code allows us to modify classification rates to produce rates for individual risks. Modifications of classifications of risks may be based upon size, expense, management, individual experience, location or dispersion of exposure, and shall apply to all risks under the same or substantially the same circumstances or conditions. We must list the standards by which variations in hazards or expense provisions are measured, in order to determine that a specific risk is so different in hazard/expense that it warrants individual rating.

VI. MODIFIED PREMIUM COMPUTATION

A. Slot Rating

1. Coverage for group practices is available, at the Company's discretion, on a slot basis rather than on an individual physician basis. The slot endorsement will identify the individuals and practice settings that are covered. Coverage will be provided on a shared limit basis for those insureds moving through the slot or position.
2. The applicable manual rate will be determined by the classification of the slot. Policies rated as a Standard Claims Made policy will utilize the retroactive date of the slot. Extended Reporting Period Coverage may be purchased for the slot based on the applicable retroactive date, classification and limits.
3. Premium modifications for new physician, part time, moonlighting, teaching, risk management or loss free credit may not be used in conjunction with this rating rule, unless approved by the Underwriting Vice President.

Erica Basile 5/27/10 3:11 PM

Deleted: 1

B. Requirements for Waiver of Premium for Extended Reporting Period Coverage.

1. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be returned and Extended Reporting Period Coverage will be granted for no additional charge, subject to policy provisions.
2. Upon termination of coverage under this policy by reason of total disability from the practice of medicine or at or after age 55, permanent retirement by the insured after five consecutive claims made years with the Company, Extended Reporting Period Coverage will be granted for no additional charge subject to policy provisions.
3. The Reporting Period is unlimited.

C. Blending Rates

A blended rate may be computed when a physician discontinues, reduces or increases his specialty or classification, and now practices in a different specialty or classification. For example, if an OB/GYN discontinues obstetrics, but continues to practice gynecology, his new blended rate will be the sum of the indicated OB/GYN and GYN rates, each weighted, at inception of the change, by 75% and 25%, respectively. The second and third year weights will be modified by 25%, descending and ascending respectively, until the full GYN rate is achieved at the start of the fourth year.

D. Per Patient Visit Rating

1. Standard Claims Made coverage for group practices is available, at the Company's option, on a per patient visit basis rather than on an individual physician basis. Coverage is provided on a shared or individual physician limit basis.
2. The number of patient visits equivalent to a physician year is 2500 hours times the applicable rate of visits per hour. The rate of visits per hour is derived from the group's historical experience, subject to a minimum rate of 1 visit per hour and a maximum rate of 3 visits per hour.
3. The applicable medical specialty rate is divided by the equivalent patient visits resulting in the patient visit rate to be applied to the visits projected for the policy period. The product of the patient visit rate and the projected visits results in the indicated manual premium.
4. The annual visits reported to the Company for rating purposes are subject to audit, at the Company's discretion.
5. Premium modifications for new physician, part time, teaching, risk management or claim free credit cannot be used in conjunction with this rating rule.

Erica Basile 5/27/10 3:11 PM

Deleted: 1

VII. PREMIUM COMPUTATION DETAILS

A. Classifications

1. Applicable to Standard Claims-Made Programs.
2. The following classification plan shall be used to determine the appropriate rating class for each individual insured.

PHYSICIANS & SURGEONS

CLASS 1

Allergy/Immunology
Forensic Medicine
Occupational Medicine
Otorhinolaryngology-NMRP, NS
Physical Med. & Rehab.

Public Health & Preventative Med
Other, Specialty NOC

CLASS 2

Dermatology
Endocrinology
Geriatrics
Ophthalmology-NS
Pathology
Podiatry, No Surgery
Psychiatry
Rheumatology
Other, Specialty NOC

CLASS 3

Pediatrics-NMRP
Other, Specialty NOC

Erica Basile 5/27/10 3:11 PM

Deleted: 1

CLASS 4

Diabetes
Family Practice-NMRP, NS
General Practice-NMRP, NS
General Surgery-NMRP
Hematology
Industrial Medicine
Neurosurgery-NMRP, NMajS
Nuclear Medicine
Oncology
Ophthalmic Surgery
Oral/Maxillofacial Surgery
Orthopaedics-NMRP, NS
Radiation Oncology
Thoracic Surgery-NMRP, NS
Other, Specialty NOC

CLASS 5

Cardiovascular Disease-NMRP,
NS
Infectious Disease
Nephrology-NMRP
Other, Specialty NOC

CLASS 6

Gynecology-NMRP, NS
Internal Medicine-NMRP
Certified Registered Nurse
Anesthetist
Other, Specialty NOC

CLASS 7

Anesthesiology
Nephrology-MRP
Podiatry, Surgery
Pulmonary Diseases
Radiology-NMRP
Other, Specialty NOC

Erica Basile 5/27/10 3:11 PM

Deleted: 1

CLASS 8

Cardiac Surgery-MRP, NMajS
Cardiovascular Disease-Spec.
MRP
Gastroenterology
General Surgery-MRP, NMajS
Hand Surgery-MRP, NMajS
Internal Medicine-MRP
Neurology
Orthopaedics-MRP, NMajS
Otorhinolaryngology-MRP, NMajS
Pediatrics-MRP
Radiology-MRP
Urology-MRP, NMajS
Vascular Surgery-MRP, NMajS
Other, Specialty NOC

CLASS 9

Family Practice-MRP, NMajS
General Practice-MRP, NMajS
Other, Specialty NOC

CLASS 10

Neurosurgery-MRP, NMajS
Urological Surgery
Other, Specialty NOC

CLASS 11

Cardiovascular Disease-MRP
Colon Surgery
Emergency Medicine-NMajS,
prim
Gynecology/Obstetrics-MRP,
Nmaj
Otorhinolaryngology; No Elective
Plastic
Radiology-MajRP
Other, Specialty NOC

Erica Basile 5/27/10 3:11 PM

Deleted: 1

CLASS 12

Emergency Medicine-MajS
Family Practice-not primarily
MajS
General Practice-NMajS, prim
Gynecological Surgery
Hand Surgery
Head/Neck Surgery
Otorhinolaryngology; Head/Neck
Other, Specialty NOC

CLASS 13

General Surgery
Other, Specialty NOC

CLASS 14

Neonatology
Otorhinolaryngology; Other Than
Head/Neck
Plastic Surgery
Other, Specialty NOC

CLASS 15

Orthopaedic Surgery s/o Spine
Other, Specialty NOC

CLASS 16

Cardiac Surgery
Thoracic Surgery
Vascular Surgery
Other, Specialty NOC

CLASS 17

Obstetrical/Gynecological
Surgery
Other, Specialty NOC

Erica Basile 5/27/10 3:11 PM

Deleted: 1

CLASS 18

Neurosurgery-No Intracranial
Surgery
Orthopaedic Surgery wSpine
Other, Specialty NOC

CLASS 19

Neurosurgery
Other, Specialty NOC

MEDICAL PROCEDURE DEFINITIONS

NMRP: NOMINAL MINOR RISK PROCEDURE

NS: NO SURGERY

NOC: NOT OTHERWISE CLASSIFIED

NMAJS: NO MAJOR SURGERY

MRP: MINOR RISK PROCEDURES

MAJRP: MAJOR RISK PROCEDURES

NON PHYSICIAN HEALTH CARE PROVIDERS

Class X

Fellow, Intern, Optician, Resident, Social Worker

Class Y

Optometrist, Physical Therapist, X-Ray and Lab Technicians

Class Z

Nurse Practitioner – Family Medicine, Gynecology, No Obstetrics, Emergency Medicine, Urgent Care

Physician Assistant – Family Medicine, Gynecology, No Obstetrics, Emergency Medicine, Urgent Care

Psychologist – Class 1

Erica Basile 5/27/10 3:11 PM

Deleted: 1

Certified Registered Nurse Anesthetist

Shared Limits – 20% times Anesthesiologist rate

Separate Limits – 25% times Anesthesiologist rate

Certified Nurse Midwife – No complicated OB or surgery

Shared Limits – Not available

Separate Limits – 50% of OB/GYN rate

B. Territory Definitions

TERRITORY 1 COUNTIES

Cook, Jackson, Madison, St. Clair and Will

TERRITORY 2 COUNTIES

Lake, Vermillion

TERRITORY 3 COUNTIES

Kane, McHenry, Winnebago

TERRITORY 4 COUNTIES

DuPage, Kankakee, Macon

TERRITORY 5 COUNTIES

Bureau, Champaign, Coles, DeKalb, Effingham, LaSalle, Ogle, Randolph

TERRITORY 6 COUNTIES

Grundy, Sangamon

TERRITORY 7 COUNTIES

Peoria

TERRITORY 8 COUNTIES

Remainder of State

C. Standard Claims Made Program Step Factors

First Year:	25%
Second Year:	50%
Third Year:	78%
Fourth Year:	90%
Fifth Year (Mature):	100%

Erica Basile 5/27/10 3:11 PM

Deleted: 1

Mature Rates for Physicians and Surgeons (Claims-made):

\$1,000,000 / 3,000,000

Class	Medical Specialty	Terr 1	Terr 2	Terr 3	Terr 4	Terr 5	Terr 6	Terr 7	Terr 8
1	Allergy/Immunology	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Forensic Medicine	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Occupational Medicine	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Otorhinolaryngology-NMRP, NS	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Physical Med. & Rehab.	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Public Health & Preventative Med	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Other, Specialty NOC	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999

2	Dermatology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Endocrinology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Geriatrics	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Ophthalmology-NS	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Pathology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Podiatry, No Surgery	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Psychiatry	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Rheumatology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Other, Specialty NOC	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429

3	Pediatrics-NMRP	22,579	20,473	19,422	17,316	16,261	14,155	10,998	12,049
3	Other, Specialty NOC	22,579	20,473	19,422	17,316	16,261	14,155	10,998	12,049

4	Diabetes	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Family Practice-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	General Practice-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	General Surgery-NMRP	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Hematology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Industrial Medicine	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Neurosurgery-NMRP, NMajS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Nuclear Medicine	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Oncology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Ophthalmic Surgery	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Oral/Maxillofacial Surgery	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Orthopaedics-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Radiation Oncology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Thoracic Surgery-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Other, Specialty NOC	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289

Erica Basile 5/27/10 3:11 PM

Deleted: 1

5	Cardiovascular Disease-NMRP, NS	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Infectious Disease	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Nephrology-NMRP	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Other, Specialty NOC	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099

6	Gynecology-NMRP, NS	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
6	Internal Medicine-NMRP	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
6	Other, Specialty NOC	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719

7	Anesthesiology	37,159	33,595	31,813	28,231	26,467	22,903	17,557	19,339
7	Nephrology-MRP	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Podiatry, Surgery	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Pulmonary Diseases	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Radiology-NMRP	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Other, Specialty NOC	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339

8	Cardiac Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Cardiovascular Disease-Spec. MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Gastroenterology	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	General Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Hand Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Internal Medicine-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Neurology	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Orthopaedics-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Otorhinolaryngology-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Pediatrics-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Radiology-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Urology-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Vascular Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Other, Specialty NOC	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769

9	Family Practice-MRP, NMajS	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
9	General Practice-MRP, NMajS	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
9	Other, Specialty NOC	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389

10	Neurosurgery-MRP, NMajS	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
10	Urological Surgery	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
10	Other, Specialty NOC	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009

Erica Basile 5/27/10 3:11 PM

Deleted: 1

11	Cardiovascular Disease-MRP	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Colon Surgery	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Emergency Medicine-NMajS, prim	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Gynecology/Obstetrics-MRP, Nmaj	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Otorhinolaryngology; No Elective Plastic	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Radiology-MajRP	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Other, Specialty NOC	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439

12	Emergency Medicine-MajS	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Family Practice-not primarily MajS	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	General Practice-NMajS, prim	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Gynecological Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Hand Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Head/Neck Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Otorhinolaryngology; Head/Neck	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Other, Specialty NOC	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679

13	General Surgery	88,999	80,251	75,877	67,129	62,755	54,007	40,885	45,259
13	Other, Specialty NOC	88,999	80,251	75,877	67,129	62,755	54,007	40,885	45,259

14	Neonatology	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Otorhinolaryngology; Other Than Head/Neck	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Plastic Surgery	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Other, Specialty NOC	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879

15	Orthopaedic Surgery s/o Spine	101,956	91,915	86,893	76,849	71,827	61,783	46,717	51,739
15	Other, Specialty NOC	101,956	91,915	86,893	76,849	71,827	61,783	46,717	51,739

16	Cardiac Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Thoracic Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Vascular Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Other, Specialty NOC	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839

17	Obstetrical/Gynecologic al Surgery	124,636	112,324	106,168	93,856	87,703	75,391	56,923	63,079
17	Other, Specialty NOC	124,636	112,324	106,168	93,856	87,703	75,391	56,923	63,079

Erica Basile 6/27/10 3:11 PM

Deleted: 1

18	Neurosurgery-No Intracranial Surgery	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
18	Orthopaedic Surgery wSpine	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
18	Other, Specialty NOC	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939

19	Neurosurgery	205,636	185,224	175,018	154,606	135,400	123,988	93,373	103,576
19	Other, Specialty NOC	205,636	185,224	175,018	154,606	135,400	123,988	93,373	103,576

D. Mature Rates for non Physician Health Care Providers

Class X equals 0% of the Class 1 Physician/Surgeon rate, for shared limits; 10% of Class 4 rate for separate limits.

Class Y equals 0% of the Class 1 Physician/Surgeon rate, for shared limits; 15% of the Class 4 rate for separate limits.

Class Z equals 10% of the Class 1 Physician/Surgeon rate for shared limits; 25% of Class 1 Physician/Surgeon rate for separate limits.

Note any non-Physician Health Care Providers in Classes X, Y, or Z with exposure in the Emergency Room will require the referenced factor times the Class 11 rate.

E. Liability Limits Factors:

Limits		
	Physicians	Surgeons
500/1.0	.719	.719
1M/3M	1.0	1.0
2M/4M	1.36	1.55
3M/5M	1.52	1.73

Erica Basile 5/27/10 3:11 PM
Deleted: 1

F. Extended Reporting Period Coverage Factors:

1. The following represents the tail factors to be applied to the annual expiring discounted premium in the event a policyholder desires to obtain a Reporting Endorsement upon termination or cancellation of the policy:

<u>Year</u>	<u>Factor</u>
1 st	3.30
2 nd	3.15
3 rd	2.40
4 th	2.00

2. For First Year Claims Made step, the corresponding factor above is applied pro-rata. For Second Year and all years of maturity, the corresponding factor above is applied to the expiring premium.

F. Extended Reporting Period Coverage Factors (Continued):

3. The Reporting Period is unlimited.

G. Shared Limits Modification:

Not available.

H. Policy Writing Minimum Premium:

Physicians & Surgeons - \$500.

I. Policy Writing Minimum Premium:

Non-Physician Healthcare Providers - \$500

J. Separate Limits for Non-Physician and Surgeon Healthcare Providers Modification:

Class X: 20% of Class 1
Class Y: 25% of Class 1
Class Z: 35% of Class 1

K. Premium Modifications

For individual physicians and surgeons:

1. Part Time Physicians & Surgeons – 30%
2. Physicians in Training – 1st Year Resident 50%; Resident 40%; Fellow 30%.
3. Locum Tenens – no premium, subject to prior underwriting approval
4. New Physicians & Surgeons – 30% for the first two years of practice
5. Physician Teaching Specialists – Non-surgical 50%; Surgical 40%.
6. Physician's Leave of Absence – full suspension of insurance and premium for up to one year, subject to underwriting approval

Erica Basile 5/27/10 3:11 PM

Deleted: 1

L. Claim Free Credit Program

If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit based on the following schedule:

1. If claim free for 3 years but less than 5 years, a 5% credit shall be applied at the policy inception date. [indented over]
2. If claim free for 5 years but less than 8 years, a 10% credit shall be applied at the policy inception date.
3. If claim free for 8 years but less than 10 years, a 15% credit shall be applied at the policy inception date.
4. If claim free for 10 years or more, a credit of 20% shall be applied at the policy inception date..

A claim under this policy shall not, for the purpose of this premium credit program, be construed to include instances of mistaken identity, blanket defendant listings, improper inclusion, or non-meritorious or frivolous claims.

Erica Basile 5/27/10 3:11 PM

Deleted: 1

M. Schedule Rating (not to be used in conjunction with Loss Rating)

1. Historical Loss Experience +/- 25%	The frequency or severity of claims for the insured(s) is greater/less than the expected experience for an insured(s) of the same classification/size or recognition of unusual circumstances of claims in the loss experience.
2. Cumulative Years of Patient Experience. +/- 10%	The insured(s) demonstrates a stable, longstanding practice and/or significant degree of experience in their current area of medicine.
3. Classification Anomalies. +/- 25%	Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.
4. Claim Anomalies +/- 25%	Economic, societal or jurisdictional changes or trends that will influence the frequency or severity of claims, or the unusual circumstances of a claim(s) which understate/overstate the severity of the claim(s).
5. Management Control Procedures. +/- 10%	Specific operational activities undertaken by the insured to reduce the frequency and/or severity of claims.
6. Number /Type of Patient Exposures. +/- 10%	Size and/or demographics of the patient population which influences the frequency and/or severity of claims.
7. Organizational Size / Structure. +/- 10%	The organization's size and processes are such that economies of scale are achieved while servicing the insured.
g. Medical Standards, Quality & Claim Review. +/- 10%	Presence of (1) committees that meet on a routine basis to review medical procedures, treatments, and protocols and then assist in the integration of such into the practice, (2) Committees that meet to assure the quality of the health care services being rendered and/or (3) Committees to provide consistent review of claims/incidents that have occurred and to develop corrective action.
9. Other Risk Management Practices and Procedures. +/- 10%	Additional activities undertaken with the specific intention of reducing the frequency or severity of claims.
10. Training, Accreditation & Credentialing. +/- 10%	The insured(s) exhibits greater/less than normal participation and support of such activities.
11. Record - Keeping Practices. +/- 10%	Degree to which insured incorporates methods to maintain quality patient records, referrals, and test results.
12. Utilization of Monitoring Equipment, Diagnostic Tests or Procedures +/- 10%	Demonstrating the willingness to expend the time and capital to incorporate the latest advances in medical treatments and equipment into the practice, or failure to meet accepted standards of care.
Maximum Modification + / - 50%	

Erica Basile 5/27/10 3:11 PM

Deleted: 1

N. Deductible Credits

See V.C in Section III-4.

O. Experience Rating

See V.D in Section III-7.

P. Slot Rating for groups, subject to Underwriting

See VI.A in Section III-8.

Q. Mandatory Quarterly Payment Option.

For medical liability insureds whose annual premiums total \$500 or more, the plan must allow the option of quarterly payments.

1. An initial payment of no more than 40% of the estimated total premium due at policy inception;
2. The remaining premium spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
3. No interest charges;
4. Installment charges or fees of no more than the lesser of 1% of the total premium or \$25, whichever is less; and
5. A provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

Non-Mandatory Quarterly Payment Option.

1. For medical liability insureds whose annual premiums are less than \$500, insurers may, but are not required to, offer quarterly installment , premium payment plans.
2. For insureds who pay a premium for any extension of a reporting period, insurers may, but are not required to, offer quarterly installment, premium payment plans.
3. If an insurer offers any quarterly payments under this sub-section, (g) Non-Mandatory Quarterly Payment Options, they must be offered to all medical liability insureds.

Quarterly installment premium payment plans subject to (R) above shall be included in the initial offer of the policy, or in the first policy renewal. Thereafter, the insurer may, but need not, re-offer the payment plan, but if an insured requests the payment plan at a later date, the insurer must make it available.

-END OF SECTION III-

Erica Basile 5/27/10 3:13 PM

Formatted: Font:Bold

Erica Basile 5/27/10 3:11 PM

Deleted: 1

SECTION IV

Medicus Secured Protection Program

1. OVERVIEW

Medicus Insurance Company (hereinafter "Company") offers individual physician or group premium modifications to physicians who fail to meet standard rating criteria for premium computation under Section III of Medicus Insurance Company's Manual in order to afford physicians every reasonable opportunity to remain insured with an admitted standard insurer. The Secured Protection Program is an amendment to the Medicus Insurance Company Manual currently approved in the state and is incorporated by reference in Section IV. The Medicus Secured Protection Program (SPP) may be offered to new and renewal policies falling into this category. Qualifying circumstances include but are not limited to:

DEA License Suspension
Professional Misconduct
Successful Completion of Chemical Dependency Program
Adverse Claims Experience (Severity and/or Frequency)
Proctorship
Medical Board Sanctions or Fines
Unusual Practice Characteristics
Physical or Mental Health Impairments
Bare Exposure Period
Cosmetic Procedures Outside Scope of Formal Training

The majority of renewal business falling into this category is a result of higher than expected frequency and severity of claims. Coverage is offered to physicians who fall outside the parameters of the standard Medicus program but do not warrant coverage in the non- standard market. Insureds who have unsuccessfully appealed an underwriting decision of non-renewal are also eligible for coverage under this program.

2. Applicant Referral Criteria:

A. Eligibility-New Business

In lieu of declining a physician or group, the outlined surcharges on pages 5 through 10 of the Medicus Insurance Company Manual Section IV part 8. Medicus Secured Protection Program Rating Formula may be applied for a physician or group that does not meet the minimum underwriting guidelines established by the Company's Manual Section III.

B. Eligibility-Renewal Business

In lieu of nonrenewing a physician or group, the following surcharges may be applied for:

1. A physician or group whose claim severity and/or frequency for its specialty exceeds an actuarially expected standard; or
2. A physician or group for whom underwriting information (other than claim severity and/or claim frequency) has been developed that does not meet the minimum underwriting guidelines established by the Company's Manual Section III.

Surcharges are subject to the point ranges set forth on the Points Evaluation Worksheet (see pg. 10), surcharges of 50% to 400% will be applied as a percentage of the premium. Case reserve amounts on pending claims are adjusted pursuant to underwriting guidelines.

The Company will grant individual consideration to New Solo Applicants (i.e. those not members of a group). A solo physician may not be appropriate for the SPP.

3. LENGTH OF INSURED'S REHABILITATION

Each Insured accepted in the SPP shall be surcharged up to a maximum of 3 years under the SPP, subject to meeting minimum requirements of rehabilitation.

4. RATING APPROACH

Premium is calculated by applying the rate per physician on the rate pages from the Medicus Manual under Section III, in accordance with each individual's medical classification, territory designation and standard claims made program step factors. This 'base rate' or undiscounted premium is then multiplied by the appropriate surcharge amount calculated on the Points Evaluation Worksheet (see pg. 10). No other surcharges will apply concurrently with a physician or group category surcharge. Surcharges range from +50% to +400%. If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit, based upon the number of years the insured has been claims free under the current Medicus Insurance Company Manual Section III part VII (6.) Claim Free Credit Program.

5. UNDERWRITING

Key factors considered in physician evaluation for the Medicus Secured Protection Program (SPP) other than bare exposure is the probability and degree of rehabilitation. Underwriting will evaluate the nature of each claim to determine if it represents a pattern of poor judgment. Further, additional consideration is given to a physician affiliated with a group that can provide additional support, influence, and/or oversight. This is also due in part to the Medicus philosophy and requirement that physicians practicing together must be insured by a common carrier (all or nothing rule). If the group otherwise has good experience, Medicus strives to work with the group and the physician to reach a mutually beneficial agreement. The goals of the SPP are that:

1. A physician returns to or stays in the standard Medicus program at a surcharge.
2. After three years becomes eligible to qualify for coverage under the standard rating rules, and
3. An entire group does not become uninsurable under the standard program due to the loss experience of one or two physicians.

It is foreseeable that a physician or physician group must be non-renewed based on an underwriting assessment that a group would be unable to resolve persisting issues resulting in continued losses within the 3-year period.

A. Coverage Modifications

1. The only limits available to physicians in the program are \$1 million/\$3 million or state minimum requirement.
2. The applicable corporate limit of any physician in the SPP is a shared limit. No separate limit is available (See SPP01 Secured Protection Plan Endorsement).
3. Policies may contain specific procedure limitation exclusions and other exclusions, (See Medicus Form A013 (Exclusion of Procedure Endorsement)) such as consent to settle, which will require the written agreement by the applicant prior to policy issuance.
4. Physicians may be required to carry an indemnity and claim expenses (Allocated Loss Adjustment Expenses (ALAE)) deductible at the discretion of the underwriter not to exceed a \$5,000 per physician per claim deductible with a \$15,000 deductible annual aggregate.

Erica Basile 5/27/10 3:13 PM

Formatted: Bullets and Numbering

Erica Basile 5/27/10 3:13 PM

Formatted: Bullets and Numbering

Erica Basile 5/27/10 3:13 PM

Formatted: Bullets and Numbering

Erica Basile 5/27/10 3:13 PM

Formatted: Bullets and Numbering

B. Consent to Settle

Physicians insured under the Medicus Secured Protection Program (SPP) are issued policies with endorsements restricting consent to settle. While insured in the SPP, consent to settle lies with the Company. A physician is expected to be rehabilitated and to return back to the standard program where he/she will regain the right to consent.

C. Impaired Physicians

An impaired physician is identified as one who is monitored by the physician's resident state's Physician Health Program, medical board or similar organization. Physicians may be required to go through a formal recovery program depending upon the degree/nature of the chemical dependency. Upon discharge from an approved program, the physician signs an agreement for regular monitoring, including random urinalyses. Medicus will not insure physicians who do not allow us to obtain information from their treatment facility. This program also assists physicians suffering from mental disorders.

D. Prior Acts

Physicians entering the Medicus Secured Protection Program (SPP) with at least 2 years of prior acts coverage from the standard Medicus program shall carry over prior acts coverage as per the Medicus Insurance Company Manual Section I part XIV Prior Acts Coverage. Physicians with less than 2 years of prior acts coverage with Medicus Insurance Company will receive careful consideration of physician or group details before offering prior acts coverage.

E. Imposed Deductibles

Deductibles may apply either to indemnity only or indemnity and claim expenses (Allocated Loss Adjustment Expenses (ALAE)) not to exceed \$5,000 per claim with a \$15,000 deductible annual aggregate. An imposed deductible may be endorsed to address claims frequency. All deductibles require financial guarantees.

6. PHYSICIAN OR GROUP MANAGEMENT

It will be mandatory for all insureds in the Medicus Secured Protection Program (SPP) to successfully complete 10 hours of approved CME programs each year. SPP insureds are eligible for Physician or Group Management discounts offered under Medicus Insurance Company Manual Sections III part III (K) Premium Modifications.

Approved programs will include, but are not limited to, the following physician or group management and quality assurance topics:

- * Specialty and Procedure Specific Programs
- * I've experienced a Maloccurrence
- * The Best Deposition You Can Give
- * EMR Vulnerabilities
- * Online Offerings through MedRisk or other approved programs
- * Use of medication flow sheet for patients taking multiple and or long term medication, use of system to assure physician review of all reports (lab and x-ray consultations, etc.)
- * Having patient completed health history questionnaire and use of SOAP or similar charting systems in a consistent, organized chart format

Erica Basile 5/27/10 3:13 PM
Formatted: Bullets and Numbering

7. INTERNAL LOGISTICS

All Medicus Secured Protection Program (SPP) insureds will be monitored through the Medicus Insurance Company Software (MIC4). These insureds will be distinguished by a unique identifier (SPP), and underwritten under the electronic version of the Frequency & Severity Claims Schedule (see page 8) and Point Evaluation Worksheet (see page SPP 10). Each program insured will be monitored on a quarterly basis. If deemed necessary by the underwriting manager, the physician may be required to have an onsite physician or group management review, continued drug testing, or extend proctorship at the expense of the physician.

8. MEDICUS SECURED PROTECTION PROGRAM RATING FORMULA

POINTS SCHEDULE A

Claims within the last 10 years from date of Report

A.	Frequency and Severity Claims Schedule	Points from Schedule
B.	No Claims reported in the past five full years	-100

Drug or Alcohol Impairment- Health

A.	Has experienced drug, alcohol, or mental illness problems more than 5 years ago	50
B.	Has experienced drug, alcohol, or mental illness problems with the past 5 years	75
C.	Currently in treatment for unresolved substance abuse	150
D.	Any relapse with in the past 5 years	150
E.	Physical or mental impairment that impacted physician's ability to practice medicine safely.	100

Government Agency Actions

A.	Medical license in any state has been revoked.	150
B.	Medical license in any state has been suspended.	100
C.	Medical license has been placed on probation with restrictions on the type of services he or she can provide	75
D.	Medical license has been placed on probation for more than 5 years	75
E.	Medical license has been placed on probation for 1 to 5 years	50
F.	Medical license is under investigation	40
G.	Public letter of reprimand, fine, citation, etc.	50
H.	Failure to report license investigation as required by affirmative duty language in policy.	50
I.	During the preceding 5 year, DEA license has been revoked suspended or issued with special terms or conditions, or license has been voluntarily surrendered or not renewed, other than normal nonrenewal license substantiated by physician.	100

J.	Has been convicted or indicted of a criminal act, or has been found to be in a violation of a civil statute, per event.	
	Medically Related	
	<u>Within 5 years</u>	100
	<u>More than 5 years</u>	50
K.	Medicare/Medicaid investigation	40
L.	Loss of Medicare/Medicaid Privileges	50
M.	Loss of any health insurance provider privileges	50

Note: Items A,B,C,D,E,F,G and H - only applies per event -i.e., highest point value.

Inappropriate Patient Contact

A.	Proven with a single patient.	75
B.	Proven with more than one patient.	150
C.	Alleged with one or more patients.	50

POINTS SCHEDULE A (cont.)

Medical Education

A.	<u>Attended more than one medical school or a residency program due to actual or planned disciplinary action</u>	<u>50</u>
B.	<u>Residency complete at two or more facilities</u>	<u>50</u>
C.	<u>Started, but did not complete, a full residency program.</u>	<u>50</u>
D.	<u>Did not begin a residency.</u>	<u>50</u>
E.	<u>Has never received board certification</u>	<u>50</u>

Medical Records

A.	<u>Records alterations with material change and intent</u>	<u>150</u>
B.	<u>Records alterations not a material change to records just cleaning up</u>	<u>25</u>
C.	<u>Generally poor record keeping.</u>	<u>50</u>

Informed Consent

A.	<u>Incomplete consent obtained.</u>	<u>25</u>
B.	<u>Lack of Informed consent.</u>	<u>50</u>

Privileges - Any State

(Hospital, Surgery Center, Etc.)

	<u>Privileges have been involuntarily restricted, or restricted by negotiation in the past</u>	
A.	<u>10 years (per event).</u>	<u>50</u>
B.	<u>Privileges have been suspended in the past 10 years (per event).</u>	<u>100</u>
C.	<u>Privileges have been revoked in the past 10 years (per event).</u>	<u>150</u>
E.	<u>Has been notified by facility of its intent to:</u>	
	<u> Restrict Privileges</u>	<u>30</u>
	<u> Suspend Privileges</u>	<u>50</u>
	<u> Revoke Privileges</u>	<u>100</u>
	<u>Note: Only applies per Occurrence -i.e. highest point value</u>	
E.	<u>No Privileges at any facility</u>	<u>100</u>
G.	<u>Currently undergoing peer review.</u>	<u>75</u>
H.	<u>Notice of peer review received</u>	<u>50</u>

Procedures

	<u>Is performing a medical procedure that is considered experimental but not directly dangerous</u>	
A.	<u>dangerous</u>	<u>15</u>
B.	<u>Is performing a medical procedure that is in violation of policy exclusions</u>	<u>50</u>
C.	<u>Is performing a procedure(s) not usual and customary to his/her medical specialty.</u>	<u>50</u>
	<u>Is performing a medical procedure that is in violation of policy exclusion and is considered dangerous.</u>	
D.	<u>considered dangerous</u>	<u>150</u>
E.	<u>Is performing a procedure(s) outside his/her medical specialty.</u>	<u>100</u>
F.	<u>Is performing high physician or group procedures within his/her medical specialty</u>	<u>100</u>

Patient Safety / Physician or group Management

	<u>Mandatory patient safety/physician or group management previously recommended</u>	
A.	<u>and Failure to comply with physician or group management requirements.</u>	<u>100</u>

B.	<u>Mandatory patient safety/physician or group management previously recommended and insured had initial compliance but no follow through.</u>	<u>75</u>
	<u>Gaps in Medical Practice</u>	
A.	<u>Gaps in medical practice of 6-months to 1-year duration.</u>	<u>50</u>
B.	<u>Gaps in medical practice of 1-2 years duration.</u>	<u>100</u>
C.	<u>Gaps in medical practice greater than 2 years.</u>	<u>150</u>
	<u>Payment History</u>	
A.	<u>Two or more late payments within the last three years.</u>	<u>100</u>
B.	<u>Two or more cancellations for non-payment of premium within the last three years.</u>	<u>150</u>
	<u>Other</u>	
A.	<u>Uncooperative in Claims Handling</u>	<u>150</u>
B.	<u>Patient Load:</u>	
	<u>For Surgeons, 61-99 patients per week</u>	<u>50</u>
	<u>For Surgeons, 100 or more patients per week</u>	<u>100</u>
	<u>For all others, 101-149 patients per week</u>	<u>50</u>
	<u>For all others, 150 or more patients per week</u>	<u>100</u>
	<u>Advertising: If insured advertises his/her services on TV, newspapers, billboards or radio</u>	<u>25</u>
D.	<u>Uses collection agency that can file suit without insured's written consent.</u>	<u>25</u>
E.	<u>Previous insurance history (bare, insolvent prior insurer or non-renewed).</u>	<u>100</u>
F.	<u>Claim experience of Associates, Partners or Corporation:</u>	
	<u>If one member with claim(s)</u>	<u>75</u>
	<u>If more than one member with claim(s)</u>	<u>100</u>
	<u>Favorable experience of group as a whole</u>	<u>-150</u>
G.	<u>For each claim or suit in which the physician breached the standard of care:</u>	
	<u>Mixed Reviews</u>	<u>50</u>
	<u>All Negative Reviews</u>	<u>100</u>
	<u>Admitted or Clear Liability</u>	<u>100</u>
	<u>For two or more claims, suits or incidents arising out of the same or similar procedures or treatments.</u>	<u>50</u>
H.	<u>Claim is too early in discovery period:</u>	
	<u>Surgical Class</u>	<u>-100</u>
	<u>Non-Surgical Class</u>	<u>-50</u>
	<u>For each claim or suit in which expert reviewers state the insured met the standard of care:</u>	
	<u>Surgical Class</u>	<u>-150</u>
	<u>Non-Surgical Class</u>	<u>-100</u>
K.	<u>High-physician or group surgical patient selection.</u>	<u>150</u>
L.	<u>Restatement of nonrenewal due to company election</u>	<u>150</u>
M.	<u>Loss Ratio in excess of 500%.</u>	<u>150</u>
N.	<u>Loss Ratio less than 100%.</u>	<u>-100</u>
O.	<u>Discrepancies between application answers/documents and verification</u>	<u>150</u>

FREQUENCY AND SEVERITY CLAIMS SCHEDULE

Insured: _____ Policy#: _____

_____ (If Applicable)

Effective _____ Review _____

Date: _____ Date: _____

<u>Claims Without Indemnity</u>			
<u>ALAE</u>			
From:	To:	Claim Score	
	<u>\$5,001</u>	<u>\$25,000</u>	<u>1</u>
	<u>\$25,001</u>	<u>\$50,000</u>	<u>2</u>
	<u>\$50,001</u>	<u>\$100,000</u>	<u>3</u>
	<u>\$100,001</u>	<u>& up</u>	<u>4</u>
<u>Claims With Indemnity</u>			
<u>Indemnity + ALAE</u>			
From:	To:	Claim Score	
	<u>\$1</u>	<u>\$25,000</u>	<u>4</u>
	<u>\$25,001</u>	<u>\$50,000</u>	<u>5</u>
	<u>\$50,001</u>	<u>\$100,000</u>	<u>6</u>
	<u>\$100,001</u>	<u>\$250,000</u>	<u>7</u>
	<u>\$250,001</u>	<u>\$500,000</u>	<u>8</u>
	<u>\$500,001</u>	<u>\$750,000</u>	<u>9</u>
	<u>\$750,001</u>	<u>\$1,000,000</u>	<u>11</u>
	<u>\$1,000,001</u>	<u>& up</u>	<u>13</u>

	Claimant Name	Report Date	Indemnity	ALAE	Total	Claim Score
Claim # 1			\$	\$		
Claim # 2			\$	\$		
Claim # 3			\$	\$		
Claim # 4			\$	\$		
Claim # 5			\$	\$		
Claim # 6			\$	\$		
Claim # 7			\$	\$		
Claim # 8			\$	\$		
Claim # 9			\$	\$		
Claim # 10			\$	\$		

Total: _____

Completed by: _____ Approved by: _____

Frequency and Severity Claims Schedule (Continued)

<u>Total Claim Score</u>	<u>Low Frequency Specialties</u>			
	<u>No. of Years w/MIC</u>			
	<u>0 - 2</u>	<u>3 - 5</u>	<u>6 - 8</u>	<u>9 & up</u>
<u>2</u>	<u>75</u>	<u>50</u>	<u>30</u>	<u>20</u>
<u>3</u>	<u>100</u>	<u>75</u>	<u>55</u>	<u>45</u>
<u>4</u>	<u>125</u>	<u>100</u>	<u>80</u>	<u>70</u>
<u>5</u>	<u>150</u>	<u>125</u>	<u>105</u>	<u>95</u>
<u>6</u>	<u>175</u>	<u>150</u>	<u>130</u>	<u>120</u>
<u>7</u>	<u>200</u>	<u>175</u>	<u>155</u>	<u>145</u>
<u>8</u>	<u>225</u>	<u>200</u>	<u>180</u>	<u>170</u>
<u>9</u>	<u>250</u>	<u>225</u>	<u>205</u>	<u>195</u>
<u>10</u>	<u>275</u>	<u>250</u>	<u>230</u>	<u>220</u>
<u>11</u>	<u>300</u>	<u>275</u>	<u>255</u>	<u>245</u>
<u>12</u>	<u>325</u>	<u>300</u>	<u>280</u>	<u>270</u>
<u>13</u>	<u>350</u>	<u>325</u>	<u>305</u>	<u>295</u>
<u>14</u>	<u>375</u>	<u>350</u>	<u>330</u>	<u>320</u>
<u>15</u>	<u>400</u>	<u>375</u>	<u>355</u>	<u>345</u>

<u>Total Claim Score</u>	<u>High Frequency Specialties **</u>			
	<u>No. of Years w/MIC</u>			
	<u>0 - 2</u>	<u>3 - 4</u>	<u>5 - 6</u>	<u>7 & up</u>
<u>3</u>	<u>75</u>	<u>50</u>	<u>30</u>	<u>20</u>
<u>4</u>	<u>100</u>	<u>75</u>	<u>55</u>	<u>45</u>
<u>5</u>	<u>125</u>	<u>100</u>	<u>80</u>	<u>70</u>
<u>6</u>	<u>150</u>	<u>125</u>	<u>105</u>	<u>95</u>
<u>7</u>	<u>175</u>	<u>150</u>	<u>130</u>	<u>120</u>
<u>8</u>	<u>200</u>	<u>175</u>	<u>155</u>	<u>145</u>
<u>9</u>	<u>225</u>	<u>200</u>	<u>180</u>	<u>170</u>
<u>10</u>	<u>250</u>	<u>225</u>	<u>205</u>	<u>195</u>
<u>11</u>	<u>275</u>	<u>250</u>	<u>230</u>	<u>220</u>
<u>12</u>	<u>300</u>	<u>275</u>	<u>255</u>	<u>245</u>
<u>13</u>	<u>325</u>	<u>300</u>	<u>280</u>	<u>270</u>
<u>14</u>	<u>350</u>	<u>325</u>	<u>305</u>	<u>295</u>
<u>15</u>	<u>375</u>	<u>350</u>	<u>330</u>	<u>320</u>

(1) As of Review Date.

(2) Add 25 points for each Total Claim Score above 15.

** Emergency Medicine, General Surgery, Gynecology, Neurosurgery, Obstetrics & Gynecology, Orthopedic Surgery, Plastic Surgery, Thoracic Surgery and Urology

Points Evaluation Worksheet

Insured: _____ Policy#: _____

Effective _____ (If Applicable)

Date: _____ Review

Date: _____

Criteria _____ Points _____

Claims _____

Frequency _____

Drug or Alcohol Impairment - Health _____

Government Agency Actions _____

Inappropriate Patient Contact _____

Medical Education _____

Informed Consent _____

Privileges - Any State _____

Procedures _____

Physician or group Management _____

Gaps in Coverage _____

Other _____

Total Points: _____

Ranges & Surcharges

Point Range	Surcharge
0 - 100	0%
101 - 130	40%
131 - 160	45%
161 - 190	50%
191 - 210	55%
211 - 250	60%
251 - 280	70%
281 - 300	80%

Point Range	Surcharge
301 - 325	90%
326 - 350	100%
351 - 370	125%
371 - 390	150%
391 - 410	175%
411 - 430	200%
431 - 450	225%
451 - 470	250%

Point Range	Surcharge
471 - 490	275%
491 - 510	300%
511 - 530	325%
531 - 550	350%
551 - 570	375%
571 - 590	400%
591+	Nonrenew

Comments: _____

Completed by: _____ Approved by: _____

-END OF MANUAL-

Erica Basile 5/27/10 3:13 PM

Formatted: Centered

Erica Basile 5/27/10 3:13 PM

Formatted: Font:Bold



MANUAL

SECTION I

GENERAL RULES

MANUAL PAGES FOR PROFESSIONAL LIABILITY COVERAGE FOR PHYSICIANS, SURGEONS AND NON-PHYSICIAN HEALTH CARE PROVIDERS

I. APPLICATION OF MANUAL

This manual specifies rules, rates, premiums, classifications and territories for the purpose of providing professional liability coverage to the physicians, surgeons, their professional associations and employed health care providers.

II. APPLICATION OF GENERAL RULES

These rules apply to all sections of this manual. Any exceptions to these rules are contained in the respective section, with reference thereto.

All other rules, rates and rating plans filed on behalf of the Company and not in conflict with these pages shall continue to apply.

III. POLICY TERM

Policies will be written for a term of one year, and renewed annually thereafter, but the policy term may be extended beyond one year subject to underwriting guidelines and state limitations. Coverage may also be written for a period of time less than one year under a short term policy period.

IV. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice or activities within a single rating territory. However, should an insured practice in more than one rating territory and/or state, the following rule shall apply. If 10% or less of an insured's practice is in a higher rated territory, we use the lower rated territory. If more than 10% of an insured's practice is in a higher rated territory, we use the higher rated territory.

V. PREMIUM COMPUTATION

- A. Compute the premium at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.

FILED

V. PREMIUM COMPUTATION (Continued)

- B. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

VI. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

VII. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual produces a result that is not a whole dollar, each rate and premium shall be adjusted as follows:

- A. Any amount involving \$.50 or over shall be rounded up to the next highest whole dollar amount; and
- B. Any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

VIII. ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

IX. RETURN PREMIUM FOR MID-TERM CHANGES

- A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- B. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.
- C. Retain the Policy Minimum Premium.

X. POLICY CANCELLATIONS

- A. Compute return premium pro rata using the rules, rates and rating plans in effect at the inception of this policy period when:
1. A policy is canceled at the Company's request,
 2. the insured no longer has a financial and an insurable interest in the property or operation that is the subject of the insurance; or

X. POLICY CANCELLATIONS (Continued)

- B. If cancellation is for any other reason than stated in A. above, compute the return premium on a standard short rate basis for the one-year period.
- C. Retain the Policy Minimum Premium when the insured requests cancellation except when coverage is canceled as of the inception date.

XI. POLICY MINIMUM PREMIUM

- 1. The applicable minimum premium is determined by the type of health care provider shown on the appropriate Rate Pages.
- 2. Minimum Premiums will be combined for a policy that provides coverage for more than one type of health care provider.

XII. PREMIUM PAYMENT PLAN

The Company will offer the insured premium payment options, outlined in Section III-24.

XIII. COVERAGE

Coverage is provided on a Claims-Made basis. Coverage under the policy shall be as described in the respective Insuring Agreements. The coverages will be rated under Standard Claims-Made Rates.

XIV. BASIC LIMITS OF LIABILITY

Basic Limits of Liability shall be those shown as applicable to the respective insureds.

XV. LIMITS OF LIABILITY

Individual Limits of Liability will be modified by Increased Limits factors as applicable for the respective insureds and used to develop the applicable premium.

XVI. PRIOR ACTS COVERAGE

The policy shall be extended to provide prior acts coverage in accordance with the applicable retroactive date(s). The retroactive date can be advanced only at the request or with the written acknowledgment of the insured, subject to underwriting.

XVII. EXTENDED REPORTING PERIOD COVERAGE

The availability of Extended Reporting Period Coverage shall be governed by the terms and conditions of the policy and the following rules:

- A. The retroactive date of coverage will determine the years of prior exposure for Extended Reporting Period Coverage.
- B. The Limits of Liability may not exceed those afforded under the terminating policy, unless otherwise required by statute or regulation.

XVII. EXTENDED REPORTING PERIOD COVERAGE (Continued)

- C. The premium for the Extended Reporting Period Coverage shall be determined by applying the Extended Reporting Period Coverage rating factors shown in Section III-10.
- D. Premium is fully earned and must be paid in full within 30 days of the expiration of the policy.
- E. The Reporting Period is unlimited.
- F. The Insured has 30 days after the policy is terminated to purchase the extended reporting period. The Extended Reporting Endorsement must be offered regardless of the reason for the termination

XVIII. PREMIUM MODIFICATIONS

Schedule Rating

Physicians and Surgeons	+/-50
Healthcare Providers	+/-50

- END OF SECTION I-

FILED

JUN 04 2010

SECTION II

MANUAL PAGES FOR CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

I. APPLICATION OF MANUAL

- A. This section provides rules, rates, premiums, classifications and territories for the purpose of providing Professional Liability for the following Health Care Entities:
 - 1. Professional Corporations, Partnerships and Associations
- B. For the purpose of these rules, an entity consists of physicians, dentists and/or allied health care providers rendering patient care who:
 - 1. Are comprised of 2 or more physicians;
 - 2. Are organized as a legal entity;
 - 3. Maintain common facilities (including multiple locations) and support personnel; and
 - 4. Maintain medical/dental records of patients of the group as a historical record of patient care.

II. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability Coverage under this program shall be as follows, unless otherwise modified by statute:

- A. Claims-Made Coverage
 - \$1,000,000 Per Claim
 - \$3,000,000 Aggregate

III. PREMIUM COMPUTATION

- A. The premium for professional corporations, partnerships and associations, limited liability companies, or other entity may be written with a separate limit of liability and shall be computed in the following manner:

The premium charge will be a percentage (selected from the table below) of the sum of each member physician's net individual premium. In order for the entity to be eligible for coverage, the Company must insure all member physicians or at least 60% of the physician members must be insured by the Company, and the remaining physicians must be insured by another professional liability program acceptable to the company.

III. PREMIUM COMPUTATION (Continued)

Number of Insureds	Percent
1	25%
2-5	12%
6-9	10%
10-19	9%
20-49	7%
50 or more	5%

B. Vicarious Liability Charge

For each member physician not individually insured by the Company, a premium charge will be made up to 30% of the appropriate specialty rate if the Company agrees to provide such vicarious liability coverage.

IV. CLASSIFICATIONS

A. Corporations, Partnerships and Associations

1. As defined by state statutes and formed for the purpose of rendering specified medical/dental professional services.
2. Not otherwise identified as a Miscellaneous Entity.

B. Miscellaneous Entities

1. As defined by state statutes and formed for the purpose of rendering specified medical/dental professional services.
2. Including the following types of entities:
 - a. Urgent Care Center
 - b. Surgi Center
 - c. MRI Center
 - d. Renal Dialysis Center
 - e. Peritoneal Dialysis Center

V. PREMIUM MODIFICATIONS

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated under D1 on this page, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule-rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in Section III-22.

B. Manual Rates

1. Corporations, Partnerships & Associations Rating Factors

As referenced in III in Section II-2:

See Table in Section II-2. Separate Corporate Limits

0% - Shared Corporate Limits

2. Miscellaneous Entities

Not eligible under this Filing.

C. Policy Writing Minimum Premium

The applicable minimum premium is based upon the policy issued to the physicians and surgeons. Only one minimum premium applies of \$500.

D. Premium Modifications

1. Schedule Rating—Partnerships & Corporations

Physician & Surgeons	+/- 50%
Health Care Providers	+/-50%

2. Self-Insured Retention Credits - See Section III.V.B

- END OF SECTION II-

FILED

JUN 04 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

SECTION III

MANUAL PAGES FOR PROFESSIONAL LIABILITY COVERAGE FOR PHYSICIANS, SURGEONS, AND NON-PHYSICIAN HEALTHCARE PROVIDERS

I. APPLICATION OF MANUAL

This section provides rules, rates, premiums, classifications and territories for the purpose of providing Professional Liability for Physicians/Surgeons and employed or associated non-physician health care providers.

II. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability Coverage under this program shall be as follows, unless otherwise modified by statute:

Claims-Made Coverage

\$1,000,000 Per Claim

\$3,000,000 Aggregate

III. PREMIUM COMPUTATION

The premium shall be computed by applying the rate per physician, surgeon or non-physician health care provider shown in Section III-17 to Section III-20, in accordance with each individual's medical classification and class plan designation.

IV. CLASSIFICATIONS

A. Physicians/Surgeons and Non Physician Health Care Providers

1. Each medical practitioner is assigned a Rate Class according to his/her specialty. When more than one classification is applicable, the highest rate classification shall apply.
2. The Rate Classes are found in Section III-10 to Section III-15 of this Manual.

B. Part Time Physicians

1. A physician who is determined to be working 20 hours or less a week may be considered a part time practitioner and may be eligible for a reduction in the otherwise applicable rate for that specialty. The criteria and commensurate credit for a part time practitioner are identified in Section III of this Manual.
2. A Part Time Practitioner may include any practitioner in classes 1 through 8 only, except for Anesthesia and Emergency Medicine as identified in the class

B. Part Time Physicians (Continued)

plan. The hours reported to the Company for rating purposes are subject to audit, at the Company's discretion.

3. The part time credit is not applied to the Extended Reporting Period Coverage.
4. No other credits are to apply concurrent with this rule.

C. Physicians in Training

1. Following graduation from medical school, a physician may elect to enter additional training periods. For rating purposes, they are defined as follows:
 - a. First Year Resident (or Intern) - 1 year period immediately following graduation. During this period a physician may or may not be licensed, depending upon state requirements.
 - b. Resident - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program, physician becomes board eligible.
 - c. Fellow - Follows completion of residency and is a higher level of training.
2. Coverage is available for activities directly related to a physician's training program. The coverage will not apply to any professional services rendered after the training is complete.
 - a. Interns, Residents and Fellows are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for activities directly related to an accredited training program. The applicable credit is stated presented in Section III-20.
3. The credit is not applied to the Extended Reporting Period Coverage.
4. No other credits are to apply concurrent with this rule.

D. Locum Tenens Physician

1. Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of the insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability. No additional charge will apply for this coverage.

D. Locum Tenens Physician (Continued)

2. The locum tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage.
3. Limits will be shared between the insured physician and the physician substituting for him/her and will be endorsed onto the policy.

E. New Physician

1. A "new" physician shall be a physician who has recently completed one of the following programs and will begin a full time practice for the first time:
 - a. Residency;
 - b. Fellowship program in their medical specialty
 - c. Fulfillment of a military obligation in remuneration for medical school tuition;
 - d. Medical school or specialty training program.
2. To qualify for the credit, the applicant will be required to apply for a reduced rate within six months after the completion of any of the above programs.
3. A reduced rate will be applied in accordance with the credits shown presented in Section III-20. No other credits are to apply concurrent with this rule.

F. Physician Teaching Specialists

1. Coverage is available for faculty members of an accredited training program. The coverage will not apply to any professional services rendered in the insured's private practice.
 - a. Faculty members are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for teaching activities related to an accredited training program. Refer to K.5 in Section III-20 to determine the applicable credit.
2. Coverage is available for the private practice of a physician teaching specialist. The coverage will not apply to any aspect of the insured's teaching activities.
 - a. The premium will be based upon the otherwise applicable physician rate and the average number of hours per week devoted to teaching activities.

F. Physician Teaching Specialists (Continued)

- b. The hours reported to the Company for rating purposes are subject to audit, at the Company's discretion.
- c. No other credits are to apply concurrent with this rule.
- d. The applicable percentages are presented on presented in Section III-20.

G. Physician's Leave of Absence

- 1. A physician who becomes disabled from the practice of medicine, or is on leave of absence for a continuous period of 45 days or more, may be eligible for restricted coverage at a reduction to the applicable rate for the period of disability or leave of absence.
- 2. This will apply retroactively to the first day of disability or leave of absence.
- 3. Leave of absence may include time to enhance the medical practitioner's education, but does not include vacation time, and the insured is only eligible for one application of this credit for an annual policy period.
- 4. The credit to be applied to the applicable rate is presented in Section III-20.

V. **PREMIUM MODIFICATIONS**

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated in Section III-22, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in Section III-22.

B. Risk Management

1% credit will apply for each Company approved CME hour of risk management completed, up to a maximum of 5% credit per year, or attendance at a Company approved seminar.

C. Deductible Credits

Deductibles may apply either to indemnity only or indemnity and allocated loss adjustment expenses (ALAE). Any discount will apply only to the primary limit premium layer up to (\$1M/\$3M). Deductibles are subject to approval by the Company based on financial statements to be submitted by the insured and financial guarantees are required. The Company reserves the right to require acceptable securitization in the amount of the per claim and/or aggregate deductible amount from any insured covered by a policy to which a deductible is attached.

1. Individual Deductibles

Premium discounts for optional deductibles will be applied, per the table below, to the rate for the applicable primary limit:

INDEMNITY ONLY		INDEMNITY AND ALAE	
<u>DEDUCTIBLE PER CLAIM</u>		<u>DEDUCTIBLE PER CLAIM</u>	
\$5,000	2.5%	\$5,000	6.5%
\$10,000	4.5%	\$10,000	11.5%
\$15,000	6.0%	\$15,000	15.0%
\$20,000	8.0%	\$20,000	17.5%
\$25,000	9.0%	\$25,000	20.0%
\$50,000	15.0%	\$50,000	30.5%
\$100,000	25.0%	\$100,000	40.0%
\$200,000	37.5%	\$200,000	55.0%
\$250,000	42.0%	\$250,000	58.0%

The following Individual Deductibles are available on a Per Claim/Aggregate Basis. Premium discounts for optional deductibles will be applied, per the table below, to the rate for the applicable primary limit:

FILED

JUN 04 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

C. Deductible Credits (Continued)

<u>Indemnity Only Per Claim/Aggregate</u>		<u>Indemnity & ALAE Per Claim/Aggregate</u>	
\$5000/15,000	2.0%	\$5000/15,000	5.5%
\$10,000/30,000	4.0%	\$10,000/30,000	10.5%
\$25,000/75,000	8.5%	\$25,000/75,000	19.0%
\$50,000/150,000	14.0%	\$50,000/150,000	29.5%
\$100,000/300,000	24.0%	\$100,000/300,000	43.0%
\$200,000/600,000	36.0%	\$200,000/600,000	53.5%
\$250,000/750,000	40.0%	\$250,000/750,000	56.5%

2. Group Deductibles

An optional deductible, which limits the amount the entire group will have to pay, if multiple claims are made in a policy year, is available. Under this program, the per claim deductible continues to apply separately to each insured involved in a suit. However, the aggregate deductible applies to all insureds in the group combined thereby reducing the organization's maximum potential liability in a policy year. When the organization is insured with a separate limit of coverage, the organization is counted when totaling the number of insureds below. Group deductible amounts apply to primary premium up to \$1M/3M only. The applicable Deductible Discount will not change during the policy term despite changes in the number of insureds, but will be limited by any applicable maximum credit amount.

<u>Indemnity Deductible Per Claim/Aggregate</u> (\$000)	<u>Number of Insureds</u>				<u>Maximum Credit</u>
	2-19	20-40	41-60	61-100	
5/15	.020	.018	.015	.012	\$10,500
10/30	.038	.035	.030	.024	21,000
25/75	.084	.079	.070	.058	52,500
50/150	.145	.139	.127	.109	105,000
100/300	.234	.228	.216	.196	120,000
200/600	.348	.346	.338	.321	420,000
250/750	.385	.385	.381	.368	525,000

C. Deductible Credits (Continued)

The following Group Deductibles are available for Indemnity & ALAE.

Indemnity & ALAE Deductible Per Claim/Aggregate (\$000)	Number of Insureds				Maximum Credit
	2-19	20-40	41-60	61-100	
5/15	.029	.026	.021	.017	\$12,750
10/30	.068	.063	.054	.043	25,500
25/75	.119	.112	.099	.082	63,750
50/150	.186	.179	.163	.140	127,500
100/300	.258	.252	.239	.216	255,000
200/600	.396	.394	.385	.366	510,000
250/750	.467	.467	.462	.446	637,500

D. Experience Rating

This plan applies to physicians and surgeons medical professional liability risks contained in medical groups. As used in this plan, the term "risk" means the exposures of medical groups which have common management, a common and mutually agreed risk management program or a financial relationship among all members which encourages high levels of quality control and a reduction in liability claims.

On an optional basis, large risks with sufficiently credible loss experience may be loss-rated to develop an appropriate premium. To be eligible for loss rating, a group must have at least for the latest 10-year period and at least \$100,000 in estimated annual premium.

The experience period will be the latest completed 10 years. If 10 years are not available, consideration will be given to at least 5 complete years.

Losses are developed to ultimate and trended to cost levels for the proposed policy year. Losses will be capped at \$250,000 per loss.

The experience period does not include the 12-month period immediately prior to the effective date of the experience modification.

The experience rating modification is calculated using the following formula:

$$\text{Credibility} \times \frac{\text{Adjusted Actual Loss Ratio} - \text{Adjusted Expected Loss Ratio}}{\text{Adjusted Expected Loss Ratio}} = \text{Experience Mod.}$$

D. Experience Rating (Continued)

Since the experience rating plan is applied on an individual risk basis, the final impact of these changes varies by individual medical group based on risk size and loss experience by year. As a result, the anticipated overall rate impact due to the changes in the experience rating plan is indeterminable. However, the primary purpose of this plan and the revisions is to more accurately distribute the cost of insurance among eligible insureds.

E. Claim Free Credit Program

If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit, based upon the number of years the Insured has been claim free. A schedule is provided in Section III-20.

F. Individual Risk Rating

A risk may be individually rated by submitting a filing to the Illinois Department of Insurance, in accordance with Section 155.18(b)(4) of the Illinois Insurance Code. The code allows us to modify classification rates to produce rates for individual risks. Modifications of classifications of risks may be based upon size, expense, management, individual experience, location or dispersion of exposure, and shall apply to all risks under the same or substantially the same circumstances or conditions. We must list the standards by which variations in hazards or expense provisions are measured, in order to determine that a specific risk is so different in hazard/expense that it warrants individual rating.

VI. MODIFIED PREMIUM COMPUTATION

A. Slot Rating

1. Coverage for group practices is available, at the Company's discretion, on a slot basis rather than on an individual physician basis. The slot endorsement will identify the individuals and practice settings that are covered. Coverage will be provided on a shared limit basis for those insureds moving through the slot or position.
2. The applicable manual rate will be determined by the classification of the slot. Policies rated as a Standard Claims Made policy will utilize the retroactive date of the slot. Extended Reporting Period Coverage may be purchased for the slot based on the applicable retroactive date, classification and limits.
3. Premium modifications for new physician, part time, moonlighting, teaching, risk management or loss free credit may not be used in conjunction with this rating rule, unless approved by the Underwriting Vice President.

B. Requirements for Waiver of Premium for Extended Reporting Period Coverage.

1. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be returned and Extended Reporting Period Coverage will be granted for no additional charge, subject to policy provisions.
2. Upon termination of coverage under this policy by reason of total disability from the practice of medicine or at or after age 55, permanent retirement by the insured after five consecutive claims made years with the Company, Extended Reporting Period Coverage will be granted for no additional charge subject to policy provisions.
3. The Reporting Period is unlimited.

C. Blending Rates

A blended rate may be computed when a physician discontinues, reduces or increases his specialty or classification, and now practices in a different specialty or classification. For example, if an OB/GYN discontinues obstetrics, but continues to practice gynecology, his new blended rate will be the sum of the indicated OB/GYN and GYN rates, each weighted, at inception of the change, by 75% and 25%, respectively. The second and third year weights will be modified by 25%, descending and ascending respectively, until the full GYN rate is achieved at the start of the fourth year.

D. Per Patient Visit Rating

1. Standard Claims Made coverage for group practices is available, at the Company's option, on a per patient visit basis rather than on an individual physician basis. Coverage is provided on a shared or individual physician limit basis.
2. The number of patient visits equivalent to a physician year is 2500 hours times the applicable rate of visits per hour. The rate of visits per hour is derived from the group's historical experience, subject to a minimum rate of 1 visit per hour and a maximum rate of 3 visits per hour.
3. The applicable medical specialty rate is divided by the equivalent patient visits resulting in the patient visit rate to be applied to the visits projected for the policy period. The product of the patient visit rate and the projected visits results in the indicated manual premium.
4. The annual visits reported to the Company for rating purposes are subject to audit, at the Company's discretion.
5. Premium modifications for new physician, part time, teaching, risk management or claim free credit cannot be used in conjunction with this rating rule.

VII. PREMIUM COMPUTATION DETAILS

A. Classifications

1. Applicable to Standard Claims-Made Programs.
2. The following classification plan shall be used to determine the appropriate rating class for each individual insured.

PHYSICIANS & SURGEONS

CLASS 1

Allergy/Immunology
Forensic Medicine
Occupational Medicine
Otorhinolaryngology-NMRP, NS
Physical Med. & Rehab.

Public Health & Preventative Med
Other, Specialty NOC

CLASS 2

Dermatology
Endocrinology
Geriatrics
Ophthalmology-NS
Pathology
Podiatry, No Surgery
Psychiatry
Rheumatology
Other, Specialty NOC

CLASS 3

Pediatrics-NMRP
Other, Specialty NOC

CLASS 4

Diabetes
Family Practice-NMRP, NS
General Practice-NMRP, NS
General Surgery-NMRP
Hematology
Industrial Medicine
Neurosurgery-NMRP, NMajS
Nuclear Medicine
Oncology
Ophthalmic Surgery
Oral/Maxillofacial Surgery
Orthopaedics-NMRP, NS
Radiation Oncology
Thoracic Surgery-NMRP, NS
Other, Specialty NOC

CLASS 5

Cardiovascular Disease-NMRP,
NS
Infectious Disease
Nephrology-NMRP
Other, Specialty NOC

CLASS 6

Gynecology-NMRP, NS
Internal Medicine-NMRP
Certified Registered Nurse
Anesthetist
Other, Specialty NOC

CLASS 7

Anesthesiology
Nephrology-MRP
Podiatry, Surgery
Pulmonary Diseases
Radiology-NMRP
Other, Specialty NOC

FILED

JUN 04 2010

CLASS 8

Cardiac Surgery-MRP, NMajS
Cardiovascular Disease-Spec.
MRP
Gastroenterology
General Surgery-MRP, NMajS
Hand Surgery-MRP, NMajS
Internal Medicine-MRP
Neurology
Orthopaedics-MRP, NMajS
Otorhinolaryngology-MRP, NMajS
Pediatrics-MRP
Radiology-MRP
Urology-MRP, NMajS
Vascular Surgery-MRP, NMajS
Other, Specialty NOC

CLASS 9

Family Practice-MRP, NMajS
General Practice-MRP, NMajS
Other, Specialty NOC

CLASS 10

Neurosurgery-MRP, NMajS
Urological Surgery
Other, Specialty NOC

CLASS 11

Cardiovascular Disease-MRP
Colon Surgery
Emergency Medicine-NMajS,
prim
Gynecology/Obstetrics-MRP,
Nmaj
Otorhinolaryngology; No Elective
Plastic
Radiology-MajRP
Other, Specialty NOC

CLASS 12

Emergency Medicine-MajS
Family Practice-not primarily
MajS
General Practice-NMajS, prim
Gynecological Surgery
Hand Surgery
Head/Neck Surgery
Otorhinolaryngology; Head/Neck
Other, Specialty NOC

CLASS 13

General Surgery
Other, Specialty NOC

CLASS 14

Neonatology
Otorhinolaryngology; Other Than
Head/Neck
Plastic Surgery
Other, Specialty NOC

CLASS 15

Orthopaedic Surgery s/o Spine
Other, Specialty NOC

CLASS 16

Cardiac Surgery
Thoracic Surgery
Vascular Surgery
Other, Specialty NOC

CLASS 17

Obstetrical/Gynecological
Surgery
Other, Specialty NOC

FILED

JUN 04 2010

CLASS 18

Neurosurgery-No Intracranial
Surgery
Orthopaedic Surgery wSpine
Other, Specialty NOC

CLASS 19

Neurosurgery
Other, Specialty NOC

MEDICAL PROCEDURE DEFINITIONS

NMRP: NOMINAL MINOR RISK PROCEDURE

NS: NO SURGERY

NOC: NOT OTHERWISE CLASSIFIED

NMAJS: NO MAJOR SURGERY

MRP: MINOR RISK PROCEDURES

MAJRP: MAJOR RISK PROCEDURES

NON PHYSICIAN HEALTH CARE PROVIDERS

Class X

Fellow, Intern, Optician, Resident, Social Worker

Class Y

Optometrist, Physical Therapist, X-Ray and Lab Technicians

Class Z

Nurse Practitioner – Family Medicine, Gynecology, No Obstetrics, Emergency Medicine, Urgent Care

Physician Assistant – Family Medicine, Gynecology, No Obstetrics, Emergency Medicine, Urgent Care

Psychologist – Class 1

FILED

JUN 04 2010

Certified Registered Nurse Anesthetist
Shared Limits – 20% times Anesthesiologist rate
Separate Limits – 25% times Anesthesiologist rate

Certified Nurse Midwife – No complicated OB or surgery
Shared Limits – Not available
Separate Limits – 50% of OB/GYN rate

B. Territory Definitions

TERRITORY 1 COUNTIES

Cook, Jackson, Madison, St. Clair and Will

TERRITORY 2 COUNTIES

Lake, Vermillion

TERRITORY 3 COUNTIES

Kane, McHenry, Winnebago

TERRITORY 4 COUNTIES

DuPage, Kankakee, Macon

TERRITORY 5 COUNTIES

Bureau, Champaign, Coles, DeKalb, Effingham, LaSalle, Ogle, Randolph

TERRITORY 6 COUNTIES

Grundy, Sangamon

TERRITORY 7 COUNTIES

Peoria

TERRITORY 8 COUNTIES

Remainder of State

C. Standard Claims Made Program Step Factors

First Year:	25%
Second Year:	50%
Third Year:	78%
Fourth Year:	90%
Fifth Year (Mature):	100%

Mature Rates for Physicians and Surgeons (Claims-made):

\$1,000,000 / 3,000,000

Class	Medical Specialty	Terr 1	Terr 2	Terr 3	Terr 4	Terr 5	Terr 6	Terr 7	Terr 8
1	Allergy/Immunology	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Forensic Medicine	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Occupational Medicine	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Otorhinolaryngology-NMRP, NS	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Physical Med. & Rehab.	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Public Health & Preventative Med	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Other, Specialty NOC	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999

2	Dermatology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Endocrinology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Geriatrics	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Ophthalmology-NS	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Pathology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Podiatry, No Surgery	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Psychiatry	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Rheumatology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Other, Specialty NOC	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429

3	Pediatrics-NMRP	22,579	20,473	19,422	17,316	16,261	14,155	10,998	12,049
3	Other, Specialty NOC	22,579	20,473	19,422	17,316	16,261	14,155	10,998	12,049

4	Diabetes	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Family Practice-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	General Practice-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	General Surgery-NMRP	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Hematology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Industrial Medicine	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Neurosurgery-NMRP, NMajS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Nuclear Medicine	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Oncology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Ophthalmic Surgery	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Oral/Maxillofacial Surgery	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Orthopaedics-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Radiation Oncology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Thoracic Surgery-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Other, Specialty NOC	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289

Medicus Insurance Company
IL Rate Manual 05/2010

FILED

Section III-16

JUN 04 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

5	Cardiovascular Disease-NMRP, NS	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Infectious Disease	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Nephrology-NMRP	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Other, Specialty NOC	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099

6	Gynecology-NMRP, NS	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
6	Internal Medicine-NMRP	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
6	Other, Specialty NOC	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719

7	Anesthesiology	37,159	33,595	31,813	28,231	26,467	22,903	17,557	19,339
7	Nephrology-MRP	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Podiatry, Surgery	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Pulmonary Diseases	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Radiology-NMRP	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Other, Specialty NOC	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339

8	Cardiac Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Cardiovascular Disease-Spec. MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Gastroenterology	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	General Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Hand Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Internal Medicine-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Neurology	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Orthopaedics-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Otorhinolaryngology-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Pediatrics-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Radiology-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Urology-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Vascular Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Other, Specialty NOC	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769

9	Family Practice-MRP, NMajS	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
9	General Practice-MRP, NMajS	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
9	Other, Specialty NOC	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389

10	Neurosurgery-MRP, NMajS	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
10	Urological Surgery	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
10	Other, Specialty NOC	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009

Medicus Insurance Company
IL Rate Manual 05/2010

FILED

Section III-17

JUN 04 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

11	Cardiovascular Disease-MRP	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Colon Surgery	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Emergency Medicine-MMajS, prim	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Gynecology/Obstetrics-MRP, Nmaj	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Otorhinolaryngology; No Elective Plastic	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Radiology-MajRP	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Other, Specialty NOC	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439

12	Emergency Medicine-MajS	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Family Practice-not primarily MajS	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	General Practice-MMajS, prim	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Gynecological Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Hand Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Head/Neck Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Otorhinolaryngology; Head/Neck	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Other, Specialty NOC	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679

13	General Surgery	88,999	80,251	75,877	67,129	62,755	54,007	40,885	45,259
13	Other, Specialty NOC	88,999	80,251	75,877	67,129	62,755	54,007	40,885	45,259

14	Neonatology	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Otorhinolaryngology; Other Than Head/Neck	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Plastic Surgery	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Other, Specialty NOC	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879

15	Orthopaedic Surgery s/o Spine	101,956	91,915	86,893	76,849	71,827	61,783	46,717	51,739
15	Other, Specialty NOC	101,956	91,915	86,893	76,849	71,827	61,783	46,717	51,739

16	Cardiac Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Thoracic Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Vascular Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Other, Specialty NOC	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839

17	Obstetrical/Gynecologic al Surgery	124,636	112,324	106,168	93,856	87,703	75,391	56,923	63,079
17	Other, Specialty NOC	124,636	112,324	106,168	93,856	87,703	75,391	56,923	63,079

18	Neurosurgery-No Intracranial Surgery	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
18	Orthopaedic Surgery wSpine	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
18	Other, Specialty NOC	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939

19	Neurosurgery	205,636	185,224	175,018	154,606	135,400	123,988	93,373	103,576
19	Other, Specialty NOC	205,636	185,224	175,018	154,606	135,400	123,988	93,373	103,576

D. Mature Rates for non Physician Health Care Providers

Class X equals 0% of the Class 1 Physician/Surgeon rate, for shared limits; 10% of Class 4 rate for separate limits.

Class Y equals 0% of the Class 1 Physician/Surgeon rate, for shared limits; 15% of the Class 4 rate for separate limits.

Class Z equals 10% of the Class 1 Physician/Surgeon rate for shared limits; 25% of Class 1 Physician/Surgeon rate for separate limits.

Note any non-Physician Health Care Providers in Classes X, Y, or Z with exposure in the Emergency Room will require the referenced factor times the Class 11 rate.

E. Liability Limits Factors:

Limits		
	Physicians	Surgeons
500/1.0	.719	.719
1M/3M	1.0	1.0
2M/4M	1.36	1.55
3M/5M	1.52	1.73

F. Extended Reporting Period Coverage Factors:

1. The following represents the tail factors to be applied to the annual expiring discounted premium in the event a policyholder desires to obtain a Reporting Endorsement upon termination or cancellation of the policy:

<u>Year</u>	<u>Factor</u>
1 st	3.30
2 nd	3.15
3 rd	2.40
4 th	2.00

2. For First Year Claims Made step, the corresponding factor above is applied pro-rata. For Second Year and all years of maturity, the corresponding factor above is applied to the expiring premium.

F. Extended Reporting Period Coverage Factors (Continued):

3. The Reporting Period is unlimited.

G. Shared Limits Modification:

Not available.

H. Policy Writing Minimum Premium:

Physicians & Surgeons - \$500.

I. Policy Writing Minimum Premium:

Non-Physician Healthcare Providers - \$500

J. Separate Limits for Non-Physician and Surgeon Healthcare Providers Modification:

Class X: 20% of Class 1
Class Y: 25% of Class 1
Class Z: 35% of Class 1

K. Premium Modifications

For individual physicians and surgeons:

1. Part Time Physicians & Surgeons – 30%
2. Physicians in Training – 1st Year Resident 50%; Resident 40%; Fellow 30%.
3. Locum Tenens – no premium, subject to prior underwriting approval
4. New Physicians & Surgeons – 30% for the first two years of practice
5. Physician Teaching Specialists – Non-surgical 50%; Surgical 40%.
6. Physician's Leave of Absence – full suspension of insurance and premium for up to one year, subject to underwriting approval

L. Claim Free Credit Program

If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit based on the following schedule:

1. If claim free for 3 years but less than 5 years, a 5% credit shall be applied at the policy inception date. [indented over]
2. If claim free for 5 years but less than 8 years, a 10% credit shall be applied at the policy inception date.
3. If claim free for 8 years but less than 10 years, a 15% credit shall be applied at the policy inception date.
4. If claim free for 10 years or more, a credit of 20% shall be applied at the policy inception date..

A claim under this policy shall not, for the purpose of this premium credit program, be construed to include instances of mistaken identity, blanket defendant listings, improper inclusion, or non-meritorious or frivolous claims.

FILED

JUN 04 2010

M. Schedule Rating (not to be used in conjunction with Loss Rating)

1. Historical Loss Experience +/- 25%	The frequency or severity of claims for the insured(s) is greater/less than the expected experience for an insured(s) of the same classification/size or recognition of unusual circumstances of claims in the loss experience.
2. Cumulative Years of Patient Experience. +/- 10%	The insured(s) demonstrates a stable, longstanding practice and/or significant degree of experience in their current area of medicine.
3. Classification Anomalies. +/- 25%	Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.
4. Claim Anomalies +/- 25%	Economic, societal or jurisdictional changes or trends that will influence the frequency or severity of claims, or the unusual circumstances of a claim(s) which understate/overstate the severity of the claim(s).
5. Management Control Procedures. +/- 10%	Specific operational activities undertaken by the insured to reduce the frequency and/or severity of claims.
6. Number /Type of Patient Exposures. +/- 10%	Size and/or demographics of the patient population which influences the frequency and/or severity of claims.
7. Organizational Size / Structure. +/- 10%	The organization's size and processes are such that economies of scale are achieved while servicing the insured.
g. Medical Standards, Quality & Claim Review. +/- 10%	Presence of (1) committees that meet on a routine basis to review medical procedures, treatments, and protocols and then assist in the integration of such into the practice, (2) Committees that meet to assure the quality of the health care services being rendered and/or (3) Committees to provide consistent review of claims/incidents that have occurred and to develop corrective action.
9. Other Risk Management Practices and Procedures. +/- 10%	Additional activities undertaken with the specific intention of reducing the frequency or severity of claims.
10. Training, Accreditation & Credentialing. +/- 10%	The insured(s) exhibits greater/less than normal participation and support of such activities.
11. Record - Keeping Practices. +/- 10%	Degree to which insured incorporates methods to maintain quality patient records, referrals, and test results.
12. Utilization of Monitoring Equipment, Diagnostic Tests or Procedures +/- 10%	Demonstrating the willingness to expend the time and capital to incorporate the latest advances in medical treatments and equipment into the practice, or failure to meet accepted standards of care.
Maximum Modification + / - 50%	

FILED

JUN 04 2010

N. Deductible Credits

See V.C in Section III-4.

O. Experience Rating

See V.D in Section III-7.

P. Slot Rating for groups, subject to Underwriting

See VI.A in Section III-8.

Q. Mandatory Quarterly Payment Option.

For medical liability insureds whose annual premiums total \$500 or more, the plan must allow the option of quarterly payments.

1. An initial payment of no more than 40% of the estimated total premium due at policy inception;
2. The remaining premium spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
3. No interest charges;
4. Installment charges or fees of no more than the lesser of 1% of the total premium or \$25, whichever is less; and
5. A provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

Non-Mandatory Quarterly Payment Option.

1. For medical liability insureds whose annual premiums are less than \$500, insurers may, but are not required to, offer quarterly installment , premium payment plans.
2. For insureds who pay a premium for any extension of a reporting period, insurers may, but are not required to, offer quarterly installment, premium payment plans.
3. If an insurer offers any quarterly payments under this sub-section, (g) Non-Mandatory Quarterly Payment Options, they must be offered to all medical liability insureds.

Quarterly installment premium payment plans subject to (R) above shall be included in the initial offer of the policy, or in the first policy renewal. Thereafter, the insurer may, but need not, re-offer the payment plan, but if an insured requests the payment plan at a later date, the insurer must make it available.

-END OF SECTION III-

FILED

JUN 04 2010

SECTION IV

Medicus Secured Protection Program

1. OVERVIEW

Medicus Insurance Company (hereinafter "Company") offers individual physician or group premium modifications to physicians who fail to meet standard rating criteria for premium computation under Section III of Medicus Insurance Company's Manual in order to afford physicians every reasonable opportunity to remain insured with an admitted standard insurer. The Secured Protection Program is an amendment to the Medicus Insurance Company Manual currently approved in the state and is incorporated by reference in Section IV. The Medicus Secured Protection Program (SPP) may be offered to new and renewal policies falling into this category. Qualifying circumstances include but are not limited to:

- DEA License Suspension
- Professional Misconduct
- Successful Completion of Chemical Dependency Program
- Adverse Claims Experience (Severity and/or Frequency)
- Proctorship
- Medical Board Sanctions or Fines
- Unusual Practice Characteristics
- Physical or Mental Health Impairments
- Bare Exposure Period
- Cosmetic Procedures Outside Scope of Formal Training

The majority of renewal business falling into this category is a result of higher than expected frequency and severity of claims. Coverage is offered to physicians who fall outside the parameters of the standard Medicus program but do not warrant coverage in the non-standard market. Insureds who have unsuccessfully appealed an underwriting decision of non-renewal are also eligible for coverage under this program.

2. Applicant Referral Criteria:

A. Eligibility-New Business

In lieu of declining a physician or group, the outlined surcharges on pages 5 through 10 of the Medicus Insurance Company Manual Section IV part 8. Medicus Secured Protection Program Rating Formula may be applied for a physician or group that does not meet the minimum underwriting guidelines established by the Company's Manual Section III.

B. Eligibility-Renewal Business

In lieu of nonrenewing a physician or group, the following surcharges may be applied for:

1. A physician or group whose claim severity and/or frequency for its specialty exceeds an actuarially expected standard; or
2. A physician or group for whom underwriting information (other than claim severity and/or claim frequency) has been developed that does not meet the minimum underwriting guidelines established by the Company's Manual Section III.

FILED

JUN 04 2010

Surcharges are subject to the point ranges set forth on the Points Evaluation Worksheet (see pg. 10), surcharges of 50% to 400% will be applied as a percentage of the premium. Case reserve amounts on pending claims are adjusted pursuant to underwriting guidelines.

The Company will grant individual consideration to New Solo Applicants (i.e. those not members of a group). A solo physician may not be appropriate for the SPP.

3. LENGTH OF INSURED'S REHABILITATION

Each Insured accepted in the SPP shall be surcharged up to a maximum of 3 years under the SPP, subject to meeting minimum requirements of rehabilitation.

4. RATING APPROACH

Premium is calculated by applying the rate per physician on the rate pages from the Medicus Manual under Section III, in accordance with each individual's medical classification, territory designation and standard claims made program step factors. This 'base rate' or undiscounted premium is then multiplied by the appropriate surcharge amount calculated on the Points Evaluation Worksheet (see pg. 10). No other surcharges will apply concurrently with a physician or group category surcharge. Surcharges range from +50% to +400%. If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit, based upon the number of years the insured has been claims free under the current Medicus Insurance Company Manual Section III part VII (6.) Claim Free Credit Program.

5. UNDERWRITING

Key factors considered in physician evaluation for the Medicus Secured Protection Program (SPP) other than bare exposure is the probability and degree of rehabilitation. Underwriting will evaluate the nature of each claim to determine if it represents a pattern of poor judgment. Further, additional consideration is given to a physician affiliated with a group that can provide additional support, influence, and/or oversight. This is also due in part to the Medicus philosophy and requirement that physicians practicing together must be insured by a common carrier (all or nothing rule). If the group otherwise has good experience, Medicus strives to work with the group and the physician to reach a mutually beneficial agreement. The goals of the SPP are that:

1. A physician returns to or stays in the standard Medicus program at a surcharge,
2. After three years becomes eligible to qualify for coverage under the standard rating rules, and
3. An entire group does not become uninsurable under the standard program due to the loss experience of one or two physicians.

It is foreseeable that a physician or physician group must be non-renewed based on an underwriting assessment that a group would be unable to resolve persisting issues resulting in continued losses within the 3-year period.

FILED

A. Coverage Modifications

1. The only limits available to physicians in the program are \$1 million/\$3 million or state minimum requirement.
2. The applicable corporate limit of any physician in the SPP is a shared limit. No separate limit is available (See SPP01 Secured Protection Plan Endorsement).
3. Policies may contain specific procedure limitation exclusions and other exclusions, (See Medicus Form A013 (Exclusion of Procedure Endorsement)) such as consent to settle, which will require the written agreement by the applicant prior to policy issuance.
4. Physicians may be required to carry an indemnity and claim expenses (Allocated Loss Adjustment Expenses (ALAE)) deductible at the discretion of the underwriter not to exceed a \$5,000 per physician per claim deductible with a \$15,000 deductible annual aggregate.

B. Consent to Settle

Physicians insured under the Medicus Secured Protection Program (SPP) are issued policies with endorsements restricting consent to settle. While insured in the SPP, consent to settle lies with the Company. A physician is expected to be rehabilitated and to return back to the standard program where he/she will regain the right to consent.

C. Impaired Physicians

An impaired physician is identified as one who is monitored by the physician's resident state's Physician Health Program, medical board or similar organization. Physicians may be required to go through a formal recovery program depending upon the degree/nature of the chemical dependency. Upon discharge from an approved program, the physician signs an agreement for regular monitoring, including random urinalyses. Medicus will not insure physicians who do not allow us to obtain information from their treatment facility. This program also assists physicians suffering from mental disorders.

D. Prior Acts

Physicians entering the Medicus Secured Protection Program (SPP) with at least 2 years of prior acts coverage from the standard Medicus program shall carry over prior acts coverage as per the Medicus Insurance Company Manual Section I part XIV Prior Acts Coverage. Physicians with less than 2 years of prior acts coverage with Medicus Insurance Company will receive careful consideration of physician or group details before offering prior acts coverage.

E. Imposed Deductibles

Deductibles may apply either to indemnity only or indemnity and claim expenses (Allocated Loss Adjustment Expenses (ALAE)) not to exceed \$5,000 per claim with a \$15,000 deductible annual aggregate. An imposed deductible may be endorsed to address claims frequency. All deductibles require financial guarantees.

6. PHYSICIAN OR GROUP MANAGEMENT

It will be mandatory for all insureds in the Medicus Secured Protection Program (SPP) to successfully complete 10 hours of approved CME programs each year. SPP insureds are eligible for Physician or Group Management discounts offered under Medicus Insurance Company Manual Sections III part III (K) Premium Modifications.

Approved programs will include, but are not limited to, the following physician or group management and quality assurance topics:

- Specialty and Procedure Specific Programs
- I've experienced a Maloccurrence
- The Best Deposition You Can Give
- EMR Vulnerabilities
- Online Offerings through MedRisk or other approved programs
- Use of medication flow sheet for patients taking multiple and or long term medication, use of system to assure physician review of all reports (lab and x-ray consultations, etc.)
- Having patient completed health history questionnaire and use of SOAP or similar charting systems in a consistent, organized chart format

7. INTERNAL LOGISTICS

All Medicus Secured Protection Program (SPP) insureds will be monitored through the Medicus Insurance Company Software (MIC4). These insureds will be distinguished by a unique identifier (SPP), and underwritten under the electronic version of the Frequency & Severity Claims Schedule (see page 8) and Point Evaluation Worksheet (see page SPP 10). Each program insured will be monitored on a quarterly basis. If deemed necessary by the underwriting manager, the physician may be required to have an onsite physician or group management review, continued drug testing, or extend proctorship at the expense of the physician.

FILED

8. MEDICUS SECURED PROTECTION PROGRAM RATING FORMULA

POINTS SCHEDULE A

Claims within the last 10 years from date of Report

A. Frequency and Severity Claims Schedule	Points from Schedule
B. No Claims reported in the past five full years	-100

Drug or Alcohol Impairment- Health

A. Has experienced drug, alcohol, or mental illness problems more than 5 years ago	50
B. Has experienced drug, alcohol, or mental illness problems with the past 5 years	75
C. Currently in treatment for unresolved substance abuse	150
D. Any relapse with in the past 5 years	150
E. Physical or mental impairment that impacted physician's ability to practice medicine safely.	100

Government Agency Actions

A. Medical license in any state has been revoked.	150
B. Medical license in any state has been suspended.	100
C. Medical license has been placed on probation with restrictions on the type of services he or she can provide	75
D. Medical license has been placed on probation for more than 5 years	75
E. Medical license has been placed on probation for 1 to 5 years	50
F. Medical license is under investigation	40
G. Public letter of reprimand, fine, citation, etc.	50
H. Failure to report license investigation as required by affirmative duty language in policy.	50
I. During the preceding 5 year, DEA license has been revoked suspended or issued with special terms or conditions, or license has been voluntarily surrendered or not renewed, other than normal nonrenewal license substantiated by physician.	100

J. Has been convicted or indicted of a criminal act, or has been found to be in a violation of a civil statute, per event.	
--	--

Medically Related

Within 5 years	100
More than 5 years	50
K. Medicare/Medicaid investigation	40
L. Loss of Medicare/Medicaid Privileges	50
M. Loss of any health insurance provider privileges	50

Note: Items A,B,C,D,E,F,G and H - only applies per event -i.e., highest point value.

Inappropriate Patient Contact

A. Proven with a single patient.	75
B. Proven with more than one patient.	150
C. Alleged with one or more patients.	50

FILED

POINTS SCHEDULE A (cont.)

Medical Education

Attended more than one medical school or a residency program due to actual or	
A. planned disciplinary action	50
B. Residency complete at two or more facilities	50
C. Started, but did not complete, a full residency program.	50
D. Did not begin a residency.	50
E. Has never received board certification	50

Medical Records

A. Records alterations with material change and intent	150
B. Records alterations not a material change to records just cleaning up	25
C. Generally poor record keeping.	50

Informed Consent

A. Incomplete consent obtained.	25
B. Lack of Informed consent.	50

Privileges - Any State
(Hospital, Surgery Center, Etc.)

Privileges have been involuntarily restricted, or restricted by negotiation in the past	
A. 10 years (per event).	50
B. Privileges have been suspended in the past 10 years (per event).	100
C. Privileges have been revoked in the past 10 years (per event).	150
E. Has been notified by facility of its intent to:	
Restrict Privileges	30
Suspend Privileges	50
Revoke Privileges	100
Note: Only applies per Occurrence -i.e. highest point value	
F. No Privileges at any facility	100
G. Currently undergoing peer review.	75
H. Notice of peer review received	50

Procedures

A. Is performing a medical procedure that is considered experimental but not directly dangerous	15
B. Is performing a medical procedure that is in violation of policy exclusions	50
C. Is performing a procedure(s) not usual and customary to his/her medical specialty.	50
D. Is performing a medical procedure that is in violation of policy exclusion and is considered dangerous.	150
E. Is performing a procedure(s) outside his/her medical specialty.	100
F. Is performing high physician or group procedures within his/her medical specialty	100

Patient Safety / Physician or group Management

A. Mandatory patient safety/physician or group management previously recommended and Failure to comply with physician or group management requirements.	100
---	-----

FILED

B.	Mandatory patient safety/physician or group management previously recommended and insured had initial compliance but no follow through.	75
Gaps in Medical Practice		
A.	Gaps in medical practice of 6-months to 1-year duration.	50
B.	Gaps in medical practice of 1-2 years duration.	100
C.	Gaps in medical practice greater than 2 years.	150
Payment History		
A.	Two or more late payments within the last three years.	100
B.	Two or more cancellations for non-payment of premium within the last three years.	150
Other		
A.	Uncooperative in Claims Handling	150
B.	Patient Load:	
	For Surgeons, 61-99 patients per week	50
	For Surgeons, 100 or more patients per week	100
	For all others, 101-149 patients per week	50
	For all others, 150 or more patients per week	100
C.	Advertising: If insured advertises his/her services on TV, newspapers, billboards or radio	25
D.	Uses collection agency that can file suit without insured's written consent.	25
E.	Previous insurance history (bare, insolvent prior insurer or non-renewed).	100
F.	Claim experience of Associates, Partners or Corporation:	
	If one member with claim(s)	75
	If more than one member with claim(s)	100
	Favorable experience of group as a whole	-150
G.	For each claim or suit in which the physician breached the standard of care:	
	Mixed Reviews	50
	All Negative Reviews	100
	Admitted or Clear Liability	100
H.	For two or more claims, suits or incidents arising out of the same or similar procedures or treatments.	50
I.	Claim is too early in discovery period:	
	Surgical Class	-100
	Non-Surgical Class	-50
J.	For each claim or suit in which expert reviewers state the insured met the standard of care:	
	Surgical Class	-150
	Non-Surgical Class	-100
K.	High-physician or group surgical patient selection.	150
L.	Reinstatement of nonrenewal due to company election	150
M.	Loss Ratio in excess of 500%.	150
N.	Loss Ratio less than 100%.	-100
O.	Discrepancies between application answers/documents and verification	150

FILED

FREQUENCY AND SEVERITY CLAIMS SCHEDULE

Insured: _____

Policy#: _____

(If Applicable)

Effective
Date: _____

Review
Date: _____

Claims Without Indemnity			
ALAE			
From:	To:	Claim Score	
	\$5,001	\$25,000	1
	\$25,001	\$50,000	2
	\$50,001	\$100,000	3
	\$100,001	& up	4
Claims With Indemnity			
Indemnity + ALAE			
From:	To:	Claim Score	
	\$1	\$25,000	4
	\$25,001	\$50,000	5
	\$50,001	\$100,000	6
	\$100,001	\$250,000	7
	\$250,001	\$500,000	8
	\$500,001	\$750,000	9
	\$750,001	\$1,000,000	11
	\$1,000,001	& up	13

	Claimant Name	Report Date	Indemnity	ALAE	Total	Claim Score
Claim # 1		/ /	\$	\$		
Claim # 2		/ /	\$	\$		
Claim # 3		/ /	\$	\$		
Claim # 4		/ /	\$	\$		
Claim # 5		/ /	\$	\$		
Claim # 6		/ /	\$	\$		
Claim # 7		/ /	\$	\$		
Claim # 8		/ /	\$	\$		
Claim # 9		/ /	\$	\$		
Claim # 10		/ /	\$	\$		

Total: _____

Completed by: _____

Approved by: _____

FILED

Medicus Insurance Company
Arizona Rate Manual 05/2010

JUN 04 2010

Section IV-8

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Frequency and Severity Claims Schedule (Continued)

Total Claim Score	Low Frequency Specialties			
	No. of Years w/MIC			
	0 - 2	3 - 5	6 - 8	9 & up
2	75	50	30	20
3	100	75	55	45
4	125	100	80	70
5	150	125	105	95
6	175	150	130	120
7	200	175	155	145
8	225	200	180	170
9	250	225	205	195
10	275	250	230	220
11	300	275	255	245
12	325	300	280	270
13	350	325	305	295
14	375	350	330	320
15	400	375	355	345

Total Claim Score	High Frequency Specialties **			
	No. of Years w/MIC			
	0 - 2	3 - 4	5 - 6	7 & up
3	75	50	30	20
4	100	75	55	45
5	125	100	80	70
6	150	125	105	95
7	175	150	130	120
8	200	175	155	145
9	225	200	180	170
10	250	225	205	195
11	275	250	230	220
12	300	275	255	245
13	325	300	280	270
14	350	325	305	295
15	375	350	330	320

(1) As of Review Date.

(2) Add 25 points for each Total Claim Score above 15.

** Emergency Medicine, General Surgery, Gynecology, Neurosurgery , Obstetrics & Gynecology, Orthopedic Surgery, Plastic Surgery, Thoracic Surgery and Urology

FILED

JUN 04 2010

Points Evaluation Worksheet

Insured: _____

Policy#: _____

Effective

Date: _____

(If Applicable)

Review

Date: _____

Criteria

Points

Claims

Frequency

Drug or Alcohol Impairment – Health

Government Agency Actions

Inappropriate Patient Contact

Medical Education

Informed Consent

Privileges – Any State

Procedures

Physician or group Management

Gaps in Coverage

Other

Total Points: _____

Ranges & Surcharges

Point Range	Surcharge
0 – 100	0%
101-130	40%
131 – 160	45%
161 – 190	50%
191 – 210	55%
211 – 250	60%
251 – 280	70%
281 – 300	80%

Point Range	Surcharge
301 – 325	90%
326 – 350	100%
351 – 370	125%
371 – 390	150%
391 – 410	175%
411 – 430	200%
431 – 450	225%
451 – 470	250%

Point Range	Surcharge
471 – 490	275%
491 – 510	300%
511 – 530	325%
531 – 550	350%
551 – 570	375%
571 – 590	400%
591+	Nonrenew

Comments: _____

Completed by: _____

Approved by: _____

-END OF MANUAL-

FILED

JUN 04 2010